ORIENTAL ENTERPRISE HOLDINGS LIMITED

(Stock Code：18)

2022

ANNUAL REPORT

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Ching-fat MA, *BBS*
Chairman

Mr. King-ho MA (Formerly named Mr. Ching-choi MA)
Vice Chairman

Mr. Shun-chuen LAM
Chief Executive Officer

Non-executive Director

Mr. Dominic LAI

Independent Non-executive Directors

Mr. Yau-nam CHAM
Mr. Ping-wing PAO, *JP*
Mr. Yat-fai LAM

EXECUTIVE COMMITTEE

Mr. Ching-fat MA, *BBS (Chairman)*
Mr. King-ho MA
Mr. Shun-chuen LAM

AUDIT COMMITTEE

Mr. Yat-fai LAM *(Chairman)*
Mr. Dominic LAI
Mr. Ping-wing PAO, *JP*

REMUNERATION COMMITTEE

Mr. Yat-fai LAM *(Chairman)*
Mr. Ping-wing PAO, *JP*

NOMINATION COMMITTEE

Mr. Yat-fai LAM *(Chairman)*
Mr. Shun-chuen LAM
Mr. Ping-wing PAO, *JP*

INVESTMENT COMMITTEE

Mr. King-ho MA *(Chairman)*
Mr. Shun-chuen LAM
Mr. Yat-fai LAM

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Ching-fat MA, *BBS (Chairman)*
Mr. Yau-nam CHAM
Mr. Ping-wing PAO, *JP*

COMPANY SECRETARY

Mr. Ka-bong WONG

SOLICITORS

Iu, Lai & Li, Solicitors

AUDITOR

Mazars CPA Limited
Certified Public Accountants

BANKERS

Hang Seng Bank
Bank of Communications

REGISTERED OFFICE

Oriental Media Centre
23 Dai Cheong Street
Tai Po Industrial Estate
Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Friendly Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

STOCK CODE

18

CONTACT INFORMATION

Tel: +852 3600 1125
Fax: +852 3600 1100
e-mail: finance@on.cc
Website: https://oeh.on.cc

Management Discussion and Analysis

RESULTS

For the year ended 31 March 2022 (the "Reporting Year"), the audited consolidated profit for the year of Oriental Enterprise Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") amounted to HK$167,874,000. As compared to the same period of last year, the profit decreased HK$44,957,000 or 21% which is mainly due to no government subsidies income and the decrease in foreign exchange gain in the Reporting Year. However, if excluding these two factors, the overall profit actually increased by HK$57,966,000 or 53% compared to the same period of last year.

FINANCIAL RESOURCES AND LIQUIDITY

The Group always maintains a strong liquidity. The net current assets as at 31 March 2022 amounted to HK$1,161,939,000 (2021: HK$1,013,168,000), which include time deposits, bank balances and cash amounting to HK$633,593,000 (2021: HK$654,265,000). As at 31 March 2022, the Group's gearing ratio, measured on the basis of total borrowings as a percentage of total shareholders' equity, was 0.4% (2021: 0.4%).

CAPITAL EXPENDITURE

During the Reporting Year, the Group's capital expenditure was HK$9,657,000 (2021: HK$4,212,000).

CONTINGENT LIABILITY

As at 31 March 2022, the Group had no material contingent liability.

DIVIDENDS

The directors of the Company (the "Directors") proposed a final dividend of HK3 cents (2021: HK2 cents) per share of the Company (the "Share") and a special dividend of HK3 cents (2021: HK5 cents) per Share for the Reporting Year, payable to the shareholders of the Company (the "Shareholder(s)") whose names appear on the Register of Members of the Company on Thursday, 25 August 2022. Together with the paid interim dividend of HK3 cents (2021: HK2 cents) per Share, the dividends for the year amount to HK9 cents (2021: HK9 cents) per Share. The proposed final dividend and special dividend will be payable on or around Wednesday, 7 September 2022.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining Shareholders' entitlement to attend and vote at the annual general meeting of the Company ("AGM") to be held on Wednesday, 17 August 2022, the Register of Members of the Company will be closed from Thursday, 11 August 2022 to Wednesday, 17 August 2022 (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 Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 10 August 2022.

Management Discussion and Analysis

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, 25 August 2022. 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, 25 August 2022. 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, 24 August 2022.

BUSINESS REVIEW

"Oriental Daily News" continues to be the best-selling and most widely read newspaper in Hong Kong, and has remained so in the last 46 years. Despite the ravaging COVID-19 pandemic in Hong Kong over the past year, the professional team of "Oriental Daily News" has been performing its duties with uncompromising courage. It is dedicated to providing readers with the latest accurate and dependable information from epidemic areas and hospitals, serving as the mouthpiece of the public. While the media industry in Hong Kong underwent a lot of changes in 2021, "Oriental Daily News" remained steadfast and true to its original mission and beliefs, a manifestation of its media values. Its leading position in the industry was further consolidated with the generous support of readers.

"on.cc" continues to be a leading news portal in Hong Kong. It is an innovative platform of news streaming and live broadcast, combining information and functionality. "on.cc" is renowned for its real-time news, with numerous exclusive reports and live broadcasts on the local COVID-19 pandemic, accumulating over 32 million live views during the Reporting Year. Besides, "on.cc" launched the metaphysics section during the year, which features the "Online Drawing of Fortune Sticks". Information in our "Daily Fortunes", "Chinese Zodiac" and "Horoscope" provides additional attraction to viewers. These sections, together with the revamp of "Fun&Star" (繽FUN星網), the concept of "seeing the world via on.cc" has been deeply rooted in the hearts of our viewers.

"onCH" provides video clips news and commentaries around the clock, which get likes and go viral among netizens. Local and international events are succinctly narrated by the anchors with great care and humour, making serious commentaries fun to watch and enabling readers to keep abreast of current events. In the community-wide efforts to fight the epidemic, "onCH" provides useful information on medical care and health, by producing many highly popular "Healthcare" (醫健) episodes with in-depth and practical information on related topics.

"Money18" is a free real-time quote website designated by The Stock Exchange of Hong Kong Limited. Its website and mobile app are much preferred by users, making it one of the most popular industry and economic information platforms in Hong Kong. During the Reporting Year, "Money18" revamped its layout to display various types of information in a neater and clearer manner. Now users can switch between the zoomin version and the full version to suit their needs, browsing stock quotes, technical indicators, industry and financial news, and expert tips, all at a glance. During the Reporting Year, efforts were also made to enhance the quality of the live programmes. Financial experts had been invited to analyse market trends and explore investment opportunities, which was well received by investors and industry players.

Management Discussion and Analysis

During the Reporting Year, our media business was performing well in the early part of that year and the advertising revenue began to pick up when the COVID-19 pandemic was under control. Unfortunately, the epidemic resurged ferociously in early 2022. With the government's strict social distancing measures, the consumer market witnessed a rapid reversal. Some shops and restaurants even closed their business, some temporarily but some permanently. As a result, the growth in the overall revenue from the media business narrowed to HK$676,039,000. Among others, the publication and advertising income of "Oriental Daily News" stood at HK$541,638,000, an increase of HK$16,991,000, or 3%, compared with the same period last year. The digital media business benefited from the growing popularity of mobile phones and the trend of online shopping, with advertisers increasing their budgets and shares. As a result, the overall increase in revenue amounted to HK$134,401,000, an increase of HK$6,882,000 or 5%, compared with the same period last year. Overall, the Group's media business grew beyond expectations, in spite of the challenges it faced.

During the Reporting Year, the property investment market was weak geo-political tensions, local epidemic development and investor concerns on the future economy of Hong Kong together dampen investment sentiment. Fortunately, the valuation of the Group's commercial properties in North Point remained stable, appreciating by HK$5,300,000 or 2% year-on-year, while rental income stood at HK$3,677,000, similar to that of the same period last year. Besides, the Group managed to dispose of some of its Australian investment properties for AUD38,000,000, at a premium of AUD2,100,000 to the valuer's valuation of the total market value at AUD35,900,000 as at 31 March 2022 (the "Disposal"). The Disposal was completed on 23 June 2022. Part of the profit is planned to be ploughed back to Shareholders in the form of dividends. The Group still holds a hotel in Sydney, Australia for investment purposes. The net license fee income from the hotel during the Reporting Year totalled AUD512,000, a decrease of AUD342,000 or 40%, compared with the same period last year, mainly due to the operator's request for rent relief or deferred rental payment under regulations enacted by the Australian Government. The operator also proposed additional reduction or exemption of license fees beyond the legal requirements. The Group is seeking legal advice in that regard and the matter is still under negotiation.

The Group's money lending business performed well, with total loans from Oriental FA Limited ("Oriental FA") at the end of the Reporting Year amounting to HK$302,770,000, an increase of 4% compared with the same period last year. The average loan-to-value ratio during the Reporting Year was around 70%. The annual interest rate of loan receivables from customers ranged between 1.6% and 11.5%. The total loan interest income amounted to HK$30,612,000, impressively up by HK$9,531,000 or 45% year-on-year. Oriental FA recorded no bad debts during the Reporting Year.

Subsequent to a round of cost-saving measures and natural attrition, the number of employees decreased from 1,078 in 2021 to 960 in the current year, resulting in a reduction in staff costs of HK$58,336,000 or 13%. During the Reporting Year, the Group paid special bonuses of HK$4,153,000 in total to some staff for their outstanding performance. It also explored various staff retention and recruitment programmes.

BUSINESS OUTLOOK

In the wake of the epidemic, businesses in Hong Kong are awaiting recovery. The government had issued electronic consumption vouchers to the public in order to boost the economy. Advertisers took the opportunity to increase publicity. All these factors have driven up the advertising revenue of the Group. If quarantine-free travel between Hong Kong and the Mainland is resumed, it will definitely further stimulate the economy and directly benefit the Group's media business. With the rapid development of e-commerce and advertisers' preference for digital media platforms to reach their target consumers with precision, "on.cc" is constantly optimising its advertising formats to match the variety of marketing approaches. "on.cc" is exploring the possibility of innovating and diversifying its digital payment platforms. It is looking at broadcasting local concerts and various competitions as a path to breakthroughs. The Board is particularly optimistic about the profitability of "on.cc", which is known for its positive image and competitive edge. While the outlook for the print media business is relatively bleak, "Oriental Daily News" as the best-selling newspaper in Hong Kong will be able to withstand the impact. With the newsprint price expected to remain high in the coming year, the Group increased its stock last year to minimise costs. The Board is confident that the print media business will remain stable.

Management Discussion and Analysis

The investment climate for commercial properties depends on the business environment and outlook. With investors taking time to regain confidence in the property market amidst various negative factors, it is estimated that the property investment market sentiment will be conservative in the coming year and the Group will look for opportunities to identify high yield properties for investment purposes. Given that all the local properties held by the Group have been leased out, the rental income will remain stable. As for overseas investment properties, with Australia re-opening its international border in February this year and the gradual recovery of economic activities, it is believed that the license fee income from the Group's hotel property in Australia will return to stability. The Group has been holding the hotel property in Australia for almost two decades, accumulating a significant license fee income and strong property valuation growth. The Group is proactively seeking buyers to lock in profits and to increase its cash flow.

Large-scale mortgage properties continue to be the target clientele for Oriental FA. In view of the highly competitive financing market and the anticipated downward pressure on property prices in Hong Kong, Oriental FA will be extra prudent in assessing applications in terms of mortgage ratio caps and lending rates, and will select quality customers to minimise the risks. The Board is confident of the future of Oriental FA.

The Group adheres to the strategy of "focusing on existing operations and seeking expansion where appropriate", and this has facilitated the steady growth of its business as a whole. Looking ahead to the coming year, one will see various business opportunities unfold, when Hong Kong and its economy are expected to recover from the aftermath of the pandemic, and as the crisis of the Russian-Ukrainian war eases.

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 Australian Dollars. Currently, the Group does not have foreign currency hedging policy, but the management continuously monitors foreign exchange exposure and will consider hedging significant foreign currency exposure where appropriate.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2022, the Group employed 960 employees (2021: 1,078). 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.

On behalf of the Board
Oriental Enterprise Holdings Limited

Ching-fat MA
Chairman

Hong Kong, 24 June 2022

Directors' Report

The directors (the "Director(s)") of Oriental Enterprise Holdings Limited (the "Company") present their report and the audited consolidated financial statements (the "Consolidated Financial Statements") of the Company and its subsidiaries (the "Subsidiaries") (collectively, the "Group") for the year ended 31 March 2022 (the "Reporting Year").

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and provides corporate management services. The activities of its principal subsidiaries are set out in Note 37 to the Consolidated Financial Statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Reporting Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 38 of this annual report of the Company for the Reporting Year (the "Annual Report").

The states of affairs of the Group and of the Company as at 31 March 2022 are set out in the consolidated statement of financial position on pages 39 to 40 and the statement of financial position of the Company on page 106 of this Annual Report, respectively.

The consolidated statement of cash flows for the Reporting Year is set out on pages 41 to 42 of this Annual Report.

The Company paid an interim dividend of HK3 cents per share of the Company (the "Share") to the shareholders of the Company (the "Shareholder(s)") during the Reporting Year. The board of Directors (the "Board") proposed a final dividend of HK3 cents and special dividend of HK3 cents per Share for the Reporting Year payable to the Shareholders, whose names appear on the Register of Members of the Company on Thursday, 25 August 2022, which is expected to amount to HK$143,876,000 in aggregate, subject to the Shareholders' approval at the annual general meeting of the Company (the "AGM") to be held on Wednesday, 17 August 2022. The proposed final dividend and special dividend are expected to be paid on or around Wednesday, 7 September 2022.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the Reporting Year are set out in Note 15 to the Consolidated Financial Statements.

SHARE CAPITAL

Details of the changes in the share capital of the Company during the Reporting Year are set out in Note 30 to the Consolidated Financial Statements.

RESERVES

Details of the movements in the reserves of the Group and of the Company during the Reporting Year are set out in the consolidated statement of changes in equity on pages 43 to 44 of this Annual Report and Note 39 to the Consolidated Financial Statements, respectively.

DISTRIBUTABLE RESERVES

Distributable reserves including the proposed final dividend and special dividend of the Company for the Reporting Year calculated under part 6 of section 297 of the Companies Ordinance amounted to HK$239,520,000 (2021: HK$393,352,000).

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 111 of this Annual Report.

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

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

BUSINESS REVIEW

A fair review of the business of the Group as required under Schedule 5 to the Companies Ordinance, comprising a discussion and analysis of the Group's performance during the Reporting Year, a description of the principal risks, future development and uncertainties facing the Group, are disclosed on pages 3 to 6 under Management Discussion and Analysis of this Annual Report.

SIGNIFICANT MATTERS AFTER THE END OF REPORTING YEAR

The COVID-19 outbreak and the Australian Government 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.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Discussions on the Group's environmental policies and performance are disclosed in the "Environmental, Social and Governance Report 2022" of the Group.

The Group's environmental policy is mainly aimed at reducing waste and pollution and optimising the use of resources. The Board considers that effective environmental protection measures not only contribute to environmental protection, but also reduce of the production costs. Over the years, the Group has implemented various measures to achieve the set goals.

The emissions, such as chemical wastes, waste water, waste paper and exhaust caused during the operation of the Group, are mainly from production plants, staff canteen and vehicles fleet. In respect of reduction of wastes and pollution, chemical wastes produced by the plants are collected and treated properly by licensed waste collectors regularly and waste paper are collected by qualified contractors. As to the staff canteen, waste water is discharged after grease trap procedures. The Group engages qualified contractors to collect grease trap wastes and transport them to landfills designated by the Hong Kong Government on a regular basis. In respect of the vehicles fleet, qualified contractors have been retained to collect waste lubricating oil for disposal at the sites approved by Hong Kong Government on a regular basis. Furthermore, to reduce exhaust emissions, the Group has required the news vehicles to strictly abide by the law of "switching off idling engines". All shuttle buses of the Group have been replaced with vehicles which meet the EU 5 emission standards.

Directors' Report

In order to achieve the goal to optimise the use of resources, the Group uses renewable energy and promotes green office measures to raise the environmental protection awareness of the employees, including:

1. the Group installed a solar photovoltaic power generation system at the Tai Po headquarters and made good use of solar power generation technology to reduce carbon dioxide emissions and contribute to environmental protection;

2. adjusting the operation of central air-conditioning in seasons to reduce electricity consumption and installation of energy-efficient T5 fluorescent tubes or electricity-saving fluorescent tubes on each floor to save energy;

3. using automatic water faucets in the washrooms in the plants and offices to control the water consumption effectively;

4. facilitating paperless office with more frequent use of electronic forms, electronic photo-picking system and recycled papers. Intranet is used for internal communication purpose, so as to reduce paper use and increase administration efficiency;

5. used printer cartridges are referred to suppliers for recycling;

6. the technology department makes extensive use of virtual server architecture to effectively reduce electricity consumption and heat emission;

7. using non-disposable tableware in staff canteen, and provides half portion of the meals for staff to choose which helps reduce wastes and food wastes; and

8. during newspaper production, supervisor of the department exercises stringent supervision and control on the efficient use of newsprint.

During the Reporting Year, the measures introduced and implemented by the Group for pollution reduction and efficient use of resources achieved the expected results. Management will from time to time review the effectiveness of such measures and monitor the implementation of the relevant environmental protection measures by each department.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

On the business and operation levels, in addition to the information gathered by the editorial department of the Group, the Group obtains news all over the world through major overseas news agencies. Before using any other information or photo, the Group identifies the copyright owner and ascertains the ownership of the relevant copyrighted work and obtains consent from the copyright owner. The Group also pays to purchase the copyright owner's works for publication purpose when necessary in order to protect their intellectual property rights. Besides, if any advertisement placed by the advertiser, contents of which may have involved legal matters, such advertisement shall be pre-vetted by the legal team before acceptance of publication.

As to protection of the personal data collected by the Group during its operation, the Group keeps reminding the employees of and emphasising the importance of safeguarding the security of personal data (privacy). When collecting and processing such data, the Group strictly complies with the Personal Data (Privacy) Ordinance (the "Privacy Ordinance") and the guidelines issued by the Office of the Privacy Commissioner for Personal Data, Hong Kong, with a view to protecting the privacy. The Group also has measures designated to prevent the unauthorised access to personal data.

Directors' Report

In relation to the human resources, the Group is committed to comply with the requirements of the applicable laws and regulations, such as the Privacy Ordinance, ordinances against disability, sex, family status and races discriminations, the Employment Ordinance, the Minimum Wage Ordinance and the ordinances applicable to occupational safety of employees of the plants, in respect of recruitment or daily works of the employees so as to safeguard the benefits and interests of the Group's employees. The Group also values good conduct of the employees and has set out clear guidelines in the Prevention of Bribery Policy to prevent bribery and to regulate the acceptance of benefits by the employees. The Group also, at appropriate time, issues internal notices to remind the employees to avoid involving in bribery and conduct of improper acceptance of benefits.

On the corporate level, the Group continuously complies with the requirements under the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Securities and Futures Ordinance (the "SFO"), such as disclosure of information, corporate governance and Model Code for Securities Transactions by Directors of the Listed Issuers (the "Model Code"). The Inside Information Committee of the Company is delegated to deal with the handling and disclosure of the Inside Information under the SFO.

During the Reporting Year, there was no material and significant breach of or non-compliance with the relevant laws and regulations by the Group.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group understands that outstanding employees are valuable assets that help the Group grab every opportunity that arises. With a view to retaining talents, the Group will train and give incentives to its employees based on their performance and productivity and has implemented a training scheme to groom a new generation of journalists and to provide employees with work-related training and systematic training courses under appropriate guidance given by senior employees. The Group has also provided the employees of the administrative departments with relevant courses and seminars to enable them to grasp the work-related knowledge, skills and attitude in order to keep abreast of the latest trend. The Group values the opinions of employees and provides various communication channels to collect their opinions on company policies, administrative measures or benefits, which enable the Group to keep constant improvement.

The Group holds staff meal gatherings to have fun with employees from time to time and gives present to employees at festivals, to thank employees for their hard work and contribution. In addition, the Group also gives present to employees who perform particularly well and work hard.

For the Reporting Year, the employee voluntary turnover rate of the Group was 15%.

The key customers of the Group include the advertisers and the advertising agents (the "Advertisers") and readers of the Group's newspaper and websites (the "Readers"). Quality contents and wide readership of the Group's newspaper and websites provide effective promotional and marketing platforms to the Advertisers. Most of the Advertisers have established long term business relationship with the Group which ensures steady advertising income of the Group. During the Reporting Year, there was no material and significant dispute between the Group and the Advertisers. As to the Readers, the Group offers telephone hotline and email address to enable the Readers to express their views on the quality of the newspaper and website and the news contents. The Group will deal with their views on individual cases basis.

The key suppliers of the Group are the producers or suppliers of newsprint and printing materials (the "Suppliers"). The Group has established long term, good and firm business relationship with the Suppliers which does help to ensure steady supply and the quality stability of the printing materials. During the Reporting Year, there was no material and significant dispute between the Group and the Suppliers.

Directors' Report

DIRECTORS

The Directors in office during the Reporting Year and up to the date of this Directors' Report were:

Executive Directors

Mr. Ching-fat MA, *BBS*, *Chairman*
Mr. King-ho MA, *Vice Chairman*
Mr. Shun-chuen LAM, *Chief Executive Officer*

Non-executive Director

Mr. Dominic LAI

Independent Non-executive Directors

Mr. Yau-nam CHAM
Mr. Ping-wing PAO, *JP*
Mr. Yat-fai LAM

In accordance with Article 103 of the Company's Articles of Association, Mr. Ching-fat MA, Mr. Dominic LAI and Mr. Yau-nam CHAM shall retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming AGM.

DIRECTORS OF SUBSIDIARIES

The Directors are in the opinion that due to the numerous number of directors of the Subsidiaries and that of the Subsidiaries, disclosure of the names of all the directors of the Subsidiaries and all the Subsidiaries in this Directors' Report would be of excessive length. Therefore, the information on the directors' names of the Subsidiaries and the Subsidiaries are available at https://oeh.on.cc/en/subsidiaries2022.pdf.

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 (the version up to 31 December 2021 and the version with effective from 1 January 2022) during the Reporting Year. The Company has adopted most of the recommended best practices stated therein.

AUDIT COMMITTEE

The Audit Committee was established in compliance with Rules 3.21 of the Listing Rules. It has reviewed the accounting principles and practices adopted by the Group and this Annual Report. The Audit Committee comprises two independent non-executive Directors and one non-executive Director.

Directors' Report

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors has any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group during the Reporting Year.

CONNECTED TRANSACTION

On 21 January 2022, ORO Group Pty Limited (the "Vendor"), a wholly-owned subsidiary of the Company, entered into the sale and purchase agreement (the "SPA") with Bayside Pacific Developments Pty Limited (the "Purchaser"), pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, three commercial and retail buildings in Australia owned by the Vendor (the "Properties") at an aggregate consideration of AUD38,000,000 (the "Disposal").

The Purchaser is a connected person of the Company as it is wholly-owned by Mr. Alexander MA, a director of the Vendor. The Disposal therefore constitutes a connected transaction for the Company under the Listing Rules and is subject to the independent Shareholders' (other than the Chairman, the Vice Chairman and their respective associates) (the "Independent Shareholders") approval. On 21 June 2022, the ordinary resolution has been passed by the Independent Shareholders.

Details of the SPA are set out in the announcements of the Company dated 21 January 2022 and 28 February 2022 respectively, and the circular of the Company dated 31 March 2022.

RELATED PARTY TRANSACTIONS

Save as disclosed in the paragraph headed "Connected Transaction", the details of related party transactions of the Group for the Reporting Year are set out in the Note 31 to the Consolidated Financial Statements. These transactions do not constitute connected transactions or continuing constitute connected transactions in the meaning of Chapter 14A of the Listing Rules. All the transactions are fully exempt from Shareholders' approval, annual review and all disclosure requirement.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Year.

Directors' Report

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS

The interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) to be recorded in the register required to be kept by the Company under section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code as at 31 March 2022 were as follows:

Interests in the Company

Name of Director	Capacity	Number of ordinary Shares (Long Position)	Notes	Approximate percentage of shareholding
Mr. Ching-fat MA	Founder of a discretionary trust	1,547,851,284	(i)	64.55%
	Interest of controlled corporation	149,870,000	(ii)	6.25%
Mr. King-ho MA	Interest of controlled corporation	95,916,000	(iii)	4.00%

Notes:

(i) Mr. Ching-fat MA is the founder of the Ocean Trust, and Conyers Trustee Services (BVI) Limited, as the trustee of the Ocean Trust, indirectly holds 57.3% interest in Magicway Investment Limited and the entire issued share capital of Ever Holdings Limited. Magicway Investment Limited and Ever Holdings Limited in turn hold 1,222,941,284 Shares and 324,910,000 Shares respectively. Mr. Ching-fat MA, as the founder of the Ocean Trust, is deemed to be interested in the same parcel of Shares comprised in the trust assets of the Ocean Trust under the SFO.

(ii) Mr. Ching-fat MA holds the entire issued share capital of Perfect Deal Trading Limited, which in turn holds 149,870,000 Shares. Mr. Ching-fat MA is deemed to be interested in the same parcel of Shares held by Perfect Deal Trading Limited under the SFO.

(iii) Mr. King-ho MA holds the entire issued share capital of Prosper Time Trading Limited, which in turn holds 95,916,000 Shares. Mr. King-ho MA is deemed to be interested in the same parcel of Shares held by Prosper Time Trading Limited under the SFO.

(iv) The percentage of shareholding was calculated based on the Company's total number of issued Shares as at 31 March 2022 (i.e. 2,397,917,898 Shares).

Interests in associated corporation

Name of Director	Name of associated corporation	Capacity	Number of ordinary Shares (Long Position)	Approximate percentage of shareholding
Mr. Ching-fat MA	Magicway Investment Limited	Beneficial owner	260	26.00%
Mr. King-ho MA	Magicway Investment Limited	Beneficial owner	167	16.70%

Other than the shareholdings disclosed above, no interests or short positions were held or deemed or taken to be held under Part XV of the SFO by any Director or chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 or 8 of Part XV of the SFO or the Model Code or which were required pursuant to section 352 of the SFO to be entered in the register referred to therein as at 31 March 2022.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this Annual Report, at no time during the Reporting Year was the Company or any of the Subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Other than as disclosed in Notes 31 and 40 to the Consolidated Financial Statements, there were no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of the Subsidiaries was a party and in which a Director or his connected entity had a material interest, whether directly or indirectly, subsisting at the end of the Reporting Year or at any time during the Reporting Year.

DIRECTORS' SERVICE CONTRACTS

Each of Directors entered into a letter of appointment with the Company for a term of three years, subject to retirement by rotation under the Company's Articles of Association, and may be terminated subject to the relevant terms of the letter of appointment.

None of the Directors has a letter of appointment with the Company or any of the Subsidiaries which is not terminable by the employing company within one year without payment of compensation (other than statutory compensation).

CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS OF SIGNIFICANT

There were no contracts of significant entered between the Company, or one of the Subsidiaries, and controlling shareholders of the Company or any of its subsidiaries.

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Articles of Association, each Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto.

The Company has maintained directors' liability insurance which is in force throughout the Reporting Year and up to the date of this Annual Report to provide appropriate insurance cover for the Directors.

DISCLOSABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO

So far as was known to the Directors and chief executive of the Company, the interests and short positions of any persons (other than a Director or chief executive of the Company) in the Shares and underlying Shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO as at 31 March 2022 were as follows:

Interests in the Company

Name	Capacity	Number of ordinary Shares (Long Position)	Notes	Approximate percentage of shareholding
Conyers Trustee Services (BVI) Limited	Trustee	1,547,851,284	(i)	64.55%
Ocean Greatness Limited	Interest of controlled corporations	1,547,851,284	(ii)	64.55%
Marsun Holdings Limited	Interest of controlled corporations	1,547,851,284	(iii)	64.55%
Magicway Investment Limited	Beneficial owner	1,222,941,284		51.00%
Ever Holdings Limited	Beneficial owner	324,910,000		13.55%
Perfect Deal Trading Limited	Beneficial owner	149,870,000		6.25%
Ms. Mui-fong HUNG	Interest of spouse	1,697,721,284	(iv)	70.80%

Notes:

(i) Conyers Trustee Services (BVI) Limited, as the trustee of the Ocean Trust, holds 100% interest in Ocean Greatness Limited which in turn holds 100% interest in Marsun Holdings Limited. Marsun Holdings Limited holds 57.3% interest in Magicway Investment Limited and the entire issued share capital of Ever Holdings Limited. Magicway Investment Limited and Ever Holdings Limited in turn hold 1,222,941,284 Shares and 324,910,000 Shares respectively. Conyers Trustee Services (BVI) Limited, as the trustee of the Ocean Trust, is deemed to be interested in the same parcel of Shares held by Magicway Investment Limited and Ever Holdings Limited and comprised in the trust assets of the Ocean Trust under the SFO.

(ii) Ocean Greatness Limited holds 100% interest in Marsun Holdings Limited which in turn holds 57.3% interest in Magicway Investment Limited and the entire issued share capital of Ever Holdings Limited. Ocean Greatness Limited is, by virtue of its interest in Marsun Holdings Limited, deemed to be interested in the same parcel of Shares in which Magicway Investment Limited and Ever Holdings Limited are interested.

(iii) Marsun Holdings Limited holds 57.3% interest in Magicway Investment Limited and the entire issued share capital of Ever Holdings Limited and is, by virtue of its interest in Magicway Investment Limited and Ever Holdings Limited, deemed to be interested in the same parcel of Shares in which Magicway Investment Limited and Ever Holdings Limited are interested.

(iv) Ms. Mui-fong HUNG, as the spouse of Mr. Ching-fat MA, is deemed to be interested in the same parcel of Shares comprised in the trust assets of the Ocean Trust under the SFO as Mr. Ching-fat MA is the founder of the Ocean Trust. Further, Ms. Mui-fong HUNG, as the spouse of Mr. Ching-fat MA, is deemed to be interested in the same parcel of Shares held by Perfect Deal Trading Limited under the SFO as Mr. Ching-fat MA holds the entire issued share capital of Perfect Deal Trading Limited.

(v) The percentage of shareholding was calculated based on the Company's total number of issued Shares as at 31 March 2022 (i.e. 2,397,917,898 Shares).

Save as disclosed above, no other party had any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO as at 31 March 2022.

RETIREMENT BENEFIT SCHEME

Details of the retirement benefit scheme of the Group are shown in Note 34 to the Consolidated Financial Statements.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this Directors' Report, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained the public float as required under the Listing Rules on the Stock Exchange.

MAJOR CUSTOMERS AND SUPPLIERS

For the Reporting Year, the five largest customers of the Group accounted for 56% of the Group's turnover and the percentage of turnover attributable to the Group's largest customer amounted to 27%.

The percentage of purchases attributable to the Group's five largest suppliers is 75% of the Group's total purchases for the Reporting Year and the percentage of purchases attributable to the Group's largest supplier amounted to 24%.

None of the Directors, their associates or any Shareholders (which to the knowledge of the Board owns more than 5% of the Company's issued Shares) has an interest in the share capital of any of those customers or suppliers.

SHARE OPTION SCHEMES

The Company and the Subsidiaries have no share option schemes.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Company during the Reporting Year or subsisted at the end of the Reporting Year.

DONATIONS

During the Reporting Year, the Group made charitable and other donations amounting to HK$1,160,000 (2021: Nil).

AUDITORS

HLM CPA Limited resigned as the auditor of the Company on 20 December 2021 and Mazars CPA Limited was appointed as the auditor of the Company on 20 December 2021 by the Directors to fill the casual vacancy following the resignation of HLM CPA Limited. Save as disclosed above, there were no other changes of auditors by the Company in the past three years. A resolution for the Company to re-appoint Mazars CPA Limited as the auditor of the Company will be proposed at the forthcoming AGM.

On behalf of the Board
Oriental Enterprise Holdings Limited

Ching-fat MA
Chairman

Hong Kong, 24 June 2022

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Ching-fat MA, *BBS*, aged 62, was appointed as an executive Director and the Chairman of the Board on 17 May 2005. Mr. MA is also the chairman of the Executive Committee and Corporate Social Responsibility Committee of the Board. Mr. MA joined the Group in 1985 and was appointed as an executive Director for the period from 11 December 1991 to 4 October 1999. During the period from 20 November 2004 to 17 May 2005, Mr. MA was the President of the Company. Mr. MA graduated from the Department of Journalism, Chu Hai College. Mr. MA is elder brother of Mr. King-ho MA and nephew of Mr. Shun-chuen LAM. He is also a director of Ocean Greatness Limited, Marsun Holdings Limited, Magicway Investment Limited, Ever Holdings Limited and Perfect Deal Trading Limited, all of which have an interest in the Shares which is required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Mr. King-ho MA (formerly named Mr. Ching-choi MA), aged 60, was appointed as an executive Director and the Vice Chairman of the Board on 28 September 2005. He assists mainly the Chairman in discharge of his duties. Mr. MA is also a member of the Executive Committee of the Board and the chairman of the Investment Committee of the Board. Mr. MA joined the Group in 1986 and was appointed as an executive Director for the period from 20 February 1995 to 4 October 1999. During the period from 31 August 2002 to 28 September 2005, Mr. MA was a Senior Vice President of the Company. Mr. MA was educated at Dominican College of California, U.S.A., majoring in business administration. Mr. MA is younger brother of Mr. Ching-fat MA and nephew of Mr. Shun-chuen LAM. He is also a director of Ocean Greatness Limited, Marsun Holdings Limited, Magicway Investment Limited, Ever Holdings Limited and Perfect Deal Trading Limited, all of which have an interest in the Shares which is required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Mr. Shun-chuen LAM, aged 73, has been an executive Director since October 1999 and is currently the Chief Executive Officer of the Company, responsible for the day-to-day management of the Group's business. Mr. LAM is also a member of the Executive Committee, Nomination Committee and Investment Committee of the Board. He is also a director of most of the subsidiaries of the Company. Mr. LAM joined the Group in 1972 and was in charge of the distribution of the Group's publications. Mr. LAM is uncle of Mr. Ching-fat MA and Mr. King-ho MA.

Biographical Details of Directors and Senior Management

NON-EXECUTIVE DIRECTOR

Mr. Dominic LAI, aged 75, has been a Director since August 1998 and is currently a non-executive Director and a member of the Audit Committee of the Board. He is also a non-executive director of NWS Holdings Limited and Chuang's China Investments Limited, both of which are public companies listed on the Stock Exchange. Mr. LAI is a senior partner of a Hong Kong law firm, Iu, Lai & Li, the legal advisers to the Group. He is a practising solicitor in Hong Kong and has also been admitted as a solicitor in England, Republic of Singapore, and the States of New South Wales and Victoria, Australia.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yau-nam CHAM, aged 75, has been appointed as an independent non-executive Director since March 2006 and is currently a member of the Corporate Social Responsibility Committee of the Board. Mr. CHAM has over 20 years of experience in the securities industry. He obtained his Bachelor degree in Science from St. Mary's University, Bachelor degree in Engineering (Electrical) from Nova Scotia Technical College and Master degree in Business Administration from University of British Columbia, in Canada. Mr. CHAM is a non-executive director and the chairman of the audit committee of Deswell Industries, Inc., a public company listed on NASDAQ in U.S.A.

Mr. Ping-wing PAO, *JP*, aged 74, has been a Director since July 1987 and is currently an independent non-executive Director, a member of the Audit Committee, Remuneration Committee, Nomination Committee and Corporate Social Responsibility Committee of the Board. He is also an independent non-executive director of Zhuzhou CRRC Times Electric Co., Ltd., Capital Environment Holdings Limited, Maoye International Holdings Limited, Soundwill Holdings Limited and Sing Lee Software (Group) Limited, all of which are public companies listed on the Stock Exchange and among which Zhuzhou CRRC Times Electric Co., Ltd. is also a public company listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange. Mr. PAO was elected as one of the Ten Outstanding Young Persons of Hong Kong in 1982 and one of the Ten Outstanding Young Persons of the World in 1983. He was also an ex-Urban Councillor. In the past years, he has been actively serving on government policy committees and statutory bodies, especially those of town planning, urban renewal, public housing, culture and arts and environment matters. Mr. PAO holds a Master of Science degree in human settlements planning & development.

Mr. Yat-fai LAM, aged 56, has been an independent non-executive Director since September 2004. He is the chairman of the Audit Committee, Remuneration Committee, Nomination Committee and a member of the Investment Committee of the Board. Mr. LAM is also an independent non-executive director of Tianda Pharmaceuticals Limited, a public company listed on the Stock Exchange. Mr. LAM is a Certified Public Accountant (Practising). He is a fellow member of the Hong Kong Institute of Certified Public Accountants and of the Association of Chartered Certified Accountants. He worked with Kwan Wong Tan & Fong and Deloitte Touche Tohmatsu for over 10 years and has accumulated rich experience in auditing, taxation, corporate finance and accounting over the years.

The executive Directors are also senior management members of the Group.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

Oriental Enterprise Holdings Limited (the "Company") has adopted and applied a corporate governance code (the "Code") which ensure to maintain a high standard of governance to safeguard the interests of the shareholders of the Company (the "Shareholders") and enhance the performance of the Company and its subsidiaries (collectively, the "Group").

The Code includes the following key points:

1. ensure the Company's compliance with the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and disclosure in the Corporate Governance Report;

2. six committees have been established under the board of directors of the Company (the "Board"), each with functions of governance;

3. monitor the training and continuous professional development of the directors of the Company (the "Directors") and the senior management;

4. monitor the Company's policies and practices on compliance with legal and regulatory requirements; and

5. monitoring the code of conduct applicable to the employees and the Directors.

The Board follows to the Code and believes that good corporate governance is closely related to the management culture of the Group, which benefits to the long-term development of the business and increases the investing confidence of the Shareholders.

The Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules (the version up to 31 December 2021 and the version with effective from 1 January 2022) throughout the year ended 31 March 2022 (the "Reporting Year"). The Company has adopted most of the recommended best practices stated therein.

BOARD OF DIRECTORS

Directors

During the Reporting Year and up to the date of this Annual Report were:

Executive Directors

Mr. Ching-fat MA, *BBS*, *Chairman*
Mr. King-ho MA, *Vice Chairman*
Mr. Shun-chuen LAM, *Chief Executive Officer*

Non-executive Director

Mr. Dominic LAI

Independent Non-executive Directors

Mr. Yau-nam CHAM
Mr. Ping-wing PAO, *JP*
Mr. Yat-fai LAM

Mr. Ching-fat MA and Mr. King-ho MA are brothers. They are also the nephews of Mr. Shun-chuen LAM. To the best knowledge of the Company, except for: (i) the relationship between the Directors as disclosed in the Biographical Details of Directors and Senior Management of this Annual Report; and (ii) interests as set out in the sections headed Directors' and Chief Executive's Interests and Short Positions and Disclosable Interests and Short Positions of Shareholders under the SFO, respectively, in the Directors' Report of this Annual Report, there is no other financial, business, family or other material/relevant relationship between the Board members.

The Board comprises three executive Directors, one non-executive Director and three independent non-executive Directors. Each director has professional knowledge and skills in different fields, including professionals in administration, law, financial accounting, securities investment and housing planning. More than one-third of the Board members are independent non-executive Directors and two of them have appropriate accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules. The Board believes that the combination of the number of executive Directors and non-executive Directors is reasonable and adequate to provide sufficient checks and balances that safeguard the interests of the Shareholders and the Group.

Functions of the Board

The Board is responsible for leading the management, monitoring the financial performance of the Company, and establishing development strategies and direction. The Board authorises the management to manage the daily businesses of the Group, such as preparing annual report and interim report, as well as executing risk management, internal control, business strategies and plans that the Board formulates. The Board reviews and settles on material investment projects, and determines the annual budget etc.; the management determines daily expenses according to the financial budget that the Board approves, and chooses suppliers and other business partners.

To ensure the Board could receive independent opinions and perspectives, the Company has implemented policies, among others:

1. Independent non-executive Directors shall not participate in the daily management of the Company;

2. The Nomination Committee should, at their best effort, seek candidates that are not connected with any member of the Board;

3. Directors should restrain from serving as a director of each other's companies;

4. Directors shall come from various backgrounds and professions, as well as having ample experiences in administrative management, in a bid to introduce new ideas and unique perspective to the Company; and

5. Independent non-executive Directors shall not be provided with remunerations that involve performance related elements.

Each of the independent non-executive Directors has made an annual confirmation of his independence in accordance with the Rule 3.13 of the Listing Rules. The Company has received such confirmations from all independent non-executive Directors and also considers that all independent non-executive Directors are independent parties since they do not get involved in the daily management of the Company nor have any connection or factor which would impair their independence. According to the Corporate Governance Code, further appointment of an independent non-executive director who serves more than nine years should be subject to a separate resolution to be approved by shareholders.

Board Meeting

Regular Board meetings are held at least four times a year by the Company at approximately quarterly intervals. The company secretary of the Company (the "Company Secretary") assists the Chairman in preparing agenda for the Board meeting. Notice of convening the meeting shall be issued at least fourteen days in advance of the meeting. The Chairman ensures that agenda for the meeting together with the relevant documents are complete and clear and shall be dispatched to the Directors no less than three days prior to the meeting for their review. All Directors were given opportunity to include matters in the agenda that they would like to discuss at the meeting. The Chairman also ensures that the Board meetings are conducted effectively and that the resolutions are properly negotiated. The Company Secretary shall record matters considered by the Board and maintains the minutes of meetings. Draft minutes of the Board meetings will be circulated to the Directors for their comment within reasonable time after the Board meeting is held and copy of final version of the minutes will also be sent to all Directors for information and record. The Board committees will also adopt and follow the foregoing procedures for the Board committee meetings.

Apart from the regular Board meetings, all Directors are provided with monthly updates on the Company's performance, situation and prospects.

Conduct of Board Proceedings

During the Reporting Year, the Board convened five meetings and conducted, inter alia, the following:

1. approving the interim and annual reports, and matters necessary to be considered at the Company's annual general meeting (the "AGM");

2. reviewing the overall performance and financial position of the Group;

3. discussing the change of auditor;

4. discussing the disposal of investment properties; and

5. reviewing the issues discussed and concerned by the board committees.

The Attendance of the Board Meetings, the Board Committees' Meetings and the AGM

Name of Directors	Board Meetings	Audit Committee Meetings	Remuneration Committee Meeting	Nomination Committee Meeting	AGM
	Meetings attended/held				
* Mr. Ching-fat MA, *BBS*	5/5	–	–	–	1/1
* Mr. King-ho MA	5/5	–	–	–	1/1
* Mr. Shun-chuen LAM	5/5	–	–	1/1	1/1
^ Mr. Dominic LAI	5/5	2/2	–	–	1/1
# Mr. Yau-nam CHAM	5/5	–	–	–	1/1
# Mr. Ping-wing PAO, *JP*	5/5	2/2	1/1	1/1	1/1
# Mr. Yat-fai LAM	5/5	2/2	1/1	1/1	1/1

* Executive Director
^ Non-executive Director
\# Independent Non-executive Director

In addition to the Board meetings, the Chairman also held one meeting with independent non-executive Directors without the presence of executive Directors during the Reporting Year. All Board members attended all board meetings and committee meetings, and made effective and valuable contributions to the Company's development strategies and policies during the Reporting Year. Therefore, it is believed that all Board members have devoted sufficient time and attention to the Company's business.

Directors' Training

All Directors are encouraged to participate in continuous professional development ("CPD") training to refresh their knowledge and skills. The Company also provides the Directors with updates on latest development in and amendment to the Listing Rules and other relevant legal and regulatory requirements from time to time. During the Reporting Year, the Company also arranged two CPD training courses conducted by the qualified professionals and provided reading materials to the Directors for internal training. Topics of the CPD training courses comprised financial management, corporate governance, and updates on the Listing Rules amendments and other Ordinance amendments. The Directors are required to provide the Company with the details of the CPD training undertaken by them. Based on the details provided by the Directors, the Directors, including Mr. Ching-fat MA, Mr. King-ho MA, Mr. Shun-chuen LAM, Mr. Dominic LAI, Mr. Yau-nam CHAM, Mr. Ping-wing PAO and Mr. Yat-fai LAM, have complied with C.1.4 of Part 2 of the Corporate Governance Code in relation to the CPD requirements during the Reporting Year.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman of the Board (the "Chairman") is Mr. Ching-fat MA while the Chief Executive Officer ("CEO") of the Company is Mr. Shun-chuen LAM.

NON-EXECUTIVE DIRECTORS

Each non-executive Director (including the independent non-executive Directors) entered into a letter of appointment with the Company for a term of three years, subject to retirement by rotation once at least every three years in accordance with the Company's Articles of Association at the AGM. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance is no less exacting than the standard set out in the Corporate Governance Code.

COMMITTEES UNDER THE BOARD

The Board has established six committees, namely the Executive Committee, Audit Committee, Remuneration Committee, Nomination Committee, Investment Committee and Corporate Social Responsibility Committee. The Board committees established by the Board have clearly-defined written terms of reference. The independent views and recommendations of these committees ensure proper control of the Company and the continuous achievement of the high standard corporate governance. Each committee is authorised by the Board to investigate any activity and seek any information it requires within its terms of reference. It is also authorised to obtain external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if necessary.

Audit Committee

The terms of reference of the Audit Committee were formulated in accordance with the requirements of the Listing Rules and have been published on the websites of the Company and the Stock Exchange. The principal duties of the Audit Committee are to monitor the integrity of the Company's financial statements, reports, accounts and financial controls; review the risk management and internal controls system; and monitor the audit procedures of the external auditor.

The Audit Committee comprises two independent non-executive Directors, Mr. Yat-fai LAM and Mr. Ping-wing PAO, and one non-executive Director, Mr. Dominic LAI. Mr. Yat-fai LAM is the chairman of the Audit Committee. During the Reporting Year, the matters discussed by the Audit Committee at the meetings included reviewing the Group's audited consolidated financial statements for the year ended 31 March 2021, unaudited interim consolidated financial statements for the six months ended 30 September 2021, the risk management report, the internal control reports, selection and appointment of auditor.

Remuneration Committee

The terms of reference of the Remuneration Committee were formulated in accordance with the requirements of the Listing Rules and have been published on the websites of the Company and the Stock Exchange. The principal duties of the Remuneration Committee include formulating remuneration policy for the Directors; evaluating the performance of executive Directors and approving the terms of service contracts for executive Directors; reviewing and approving the Directors and the management's remuneration proposals with reference to the Board's corporate goals and objectives; and making recommendations to the Board on the remuneration of Directors.

The Remuneration Committee comprises two independent non-executive Directors, Mr. Yat-fai LAM and Mr. Ping-wing PAO. Mr. Yat-fai LAM is the chairman of the Remuneration Committee. During the Reporting Year, the Remuneration Committee reviewed the remuneration policies of the Directors and made the recommendations to the Board. The Directors' remuneration is determined with reference to their performance, duties with the Company, the Company's prevailing standards for emoluments and the market conditions.

Nomination Committee

The terms of reference of the Nomination Committee were formulated in accordance with the requirements of the Listing Rules and have been published on the websites of the Company and the Stock Exchange. The principal duties include reviewing the structure, size and composition of the Board; assessing the independence of the independent non-executive Directors; monitoring the implementation of the Nomination Policy and Board Diversity Policy and reviewing these two Policies to ensure their effectiveness; and seeking suitable candidate for being a Director and making recommendation to the Board accordingly.

The Nomination Committee comprises one executive Director, Mr. Shun-chuen LAM and two independent non-executive Directors, Mr. Yat-fai LAM and Mr. Ping-wing PAO. Mr. Yat-fai LAM is the chairman of the Nomination Committee. During the Reporting Year, the Nomination Committee has already reviewed the structure, size and composition of the Board, assessed the independence of the independent non-executive Directors, reviewed the Board Diversity Policy and recommended Directors for the re-election to the Board at meetings.

During the Reporting Year, the Nomination Committee has complied with the established nomination policy, a summary of which is as follows:

1. Stipulate the duties of the Nomination Committee, including nominating suitable director candidates for the Board;

2. Determine the selection criteria and procedures for the appointment and re-appointment of the Directors;

3. Skills, opinions, experience, independence and gender are the factors that need to be considered when appointing the Directors;

4. Commit to achieve a diversified composition of the Board and employees in respect of gender, age, cultural and educational background and assess the diversity status of the Board every year;

5. Create a succession plan of the Directors;

6. Hold Nomination Committee meetings from time to time, continuously monitor the Nomination Policy to ensure their effectiveness and compare them with other listed companies in the industry in a time manner; and

7. Provide trainings to new Directors.

In terms of nomination procedures of a Director, when the Nomination Committee identifies a suitable candidate qualified to serve as a Director, members of the committee would first schedule a meeting with the candidate to better understand his/her characters, professions, skills, perspectives, experiences and achievements. Then, a Nomination Committee meeting would be held, in which how (inter alia) gender, age, independence, culture and educational background of the candidate could contribute towards the diversity of the composition of the Board would be considered as the selection criteria. In the case where more than one candidates are identified, the Nomination Committee would recommend the candidates to the Board for consideration according to the order of preference.

Executive Committee

The principal duties of the Executive Committee are to manage and develop generally the business of the Company, to formulate and review climate change policies, to approve notifiable transactions and connected transactions, and to review the corporate governance policies and make recommendations to the Board.

The Executive Committee comprises three executive Directors, Mr. Ching-fat MA, Mr. King-ho MA and Mr. Shun-chuen LAM. Mr. Ching-fat MA is the chairman of the Executive Committee.

Investment Committee

The principal duties of the Investment Committee are to enhance the Company's risk management, to provide market information, and to give advice and make recommendations to the Board regarding the Company's proposed investments on non-core business of the Group.

The Investment Committee comprises two executive Directors, Mr. King-ho MA and Mr. Shun-chuen LAM and one independent non-executive Director, Mr. Yat-fai LAM. Mr. King-ho MA is the chairman of the Investment Committee.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee (the "CSR Committee") is mainly responsible for developing and reviewing the strategies and policies of the corporate social responsibilities of the Company and monitoring the Company's environmental and social governance in compliance with the legal and regulatory requirements. The CSR Committee is also responsible for preparing the annual Environmental, Social and Governance Report to be submitted to the Board for revision.

The CSR Committee comprises one executive Director, Mr. Ching-fat MA and two independent non-executive Directors, Mr. Yau-nam CHAM and Mr. Ping-wing PAO. Mr. Ching-fat MA is the chairman of the CSR Committee.

Corporate Governance Functions

During the Reporting Year, the Board shall perform the functions set out in A.2.1 of Part 2 of the Corporate Governance Code the version with effective from on 1 January 2022, among others:

1. to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;

2. to review and monitor the training and continuous professional development of Directors and senior management;

3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

4. to develop, review and monitor the code of conduct applicable to employees and Directors; and

5. to review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

COMPANY SECRETARY

Mr. Ka-bong WONG has been appointed as the Company Secretary with effect from 1 September 2021. He is a full time employee of the Company and has knowledge of the Company's day-to-day affairs. The Company Secretary reports to the Chairman and is responsible for advising the Board on governance matter. Mr. Ka-bong WONG confirms that during the Reporting Year, he has taken no less than 15 hours of relevant professional training.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the Company's Model Code for Directors' securities transactions.

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

RISK MANAGEMENT AND INTERNAL CONTROL

The Directors understand that the Board has the responsibility to ensure that the risk management and internal control systems of the Group continue to be effective, and believes that the risk management and internal control are fundamental to the Group as they can facilitate the practice of the corporate strategy and enhance competitiveness. Accordingly, the Group has developed its own risk management and internal control systems and policies based on the specific nature and the practical needs of the Group's business. The Board is responsible for maintaining the Group's risk management and internal control systems and to review their effectiveness at least once a year.

Risk Management

The Group has established a comprehensive set of risk management policies and systems to enable the Board to effectively and efficiently identify, assess, analyse and mitigate risks that may arise when the Group strives to achieve strategic objectives, operational objectives, financial reporting and compliance objectives.

The Group has integrated risk management into its business processes, in which supervisors from all departments of the Group shall report to the management of risks within their respective operating ranges (including potential risks), likelihood of occurrence and the impact of such risks, and recommendation of risk mitigation strategies. After discussions with supervisors from relevant departments, the management will assess, analyse and make recommendations of the risk management procedures and mitigation measures to the Audit Committee. The Audit Committee will discuss with the management and make an approval based on the type and level of acceptable risk of the Group determined by the Board, and the approved results will then be submitted by the management to the Board for review. Subsequently, the management and supervisors from all departments shall continue to monitor the effectiveness of risk management procedures and risk mitigation measures, and the Board will receive relevant periodic reports from the management.

In relation to the handling and disclosure of Inside Information under the Securities and Futures Ordinance, the Group has established the Inside Information Disclosure Policy to provide guidance for reporting and disclosure of inside information. Under such policy, Directors or executive officers shall report any potential inside information to the inside information committee as soon as possible, so that the inside information committee can determine whether the matter or its development is inside information and make disclosure whenever necessary.

About Environmental, Social and Governance Risks

The Board has reviewed 2022 Environmental, Social and Governance Report of the Group and none of the risks in relation to environment and society are considered to be significant. However, the employee voluntary turnover rate of the Group in the Reporting Year was relatively high over the last year as a possible result of migration wave from Hong Kong. The Group will enhance its employees training opportunities and remuneration packages for improving the employee turnover rate.

Internal Control

The Board delegates the Audit Committee to review and monitor the implementation of the internal control system of the Group The Audit Committee has reviewed the report covering the control of various aspects provided by the management and an independent qualified professional internal control and risk management consulting firm. The internal control system helps the Group attain its business objectives, protect the assets from unauthorised uses or disposals, and ensure the maintenance of proper accounting records. It can also provide reliable financial information for internal uses or external dissemination while ensuring the compliance with relevant ordinances and regulations.

The management is also delegated by the Board to enforce the established corporate strategies, policies and contracts and deal with the related issues. The management holds meetings regularly to review the day-to-day operating performance and formulates operating objectives and strategies. Supervisors from all departments shall report the working progress, relay the feedback and discuss the current policies. They shall also enhance the communication and coordination with other departments and improve the quality of their work to attain the business objectives. Operating budgets shall be prepared by the relevant departments and shall be implemented subject to the review by the management. The Group has procedures in place to assess, review and approve the major capital and recurring expenses, and to analyse the discrepancy between the operating results and the budgets and report to the Board on a regular basis.

During the Reporting Year, the Board and the Audit Committee conducted annual reviews on the effectiveness of the Group's risk management and internal control systems reviewed the report covering the control of various aspects provided by the management and an independent qualified professional internal control and risk management consulting firm. According to the outcome of the reviews, the Group has complied with the provisions in relation to the risk management and internal control as set out in the Code and no unusual circumstances or additional risks have been discovered during the Reporting Year. The Group was also of the view that the risk management and internal control systems were effective and sufficient and there was no material deficiency that may affect the Shareholders, which has come to the attention of the Board or the Audit Committee.

Notwithstanding the above, the risk management and internal control are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

Internal Audit

BT Corporate Governance Limited ("BT"), an independent qualified advisory firm for professional internal control and risk management, has been engaged by the Company for the Group to conduct internal audit, perform evaluation and testing in effectiveness of internal audit as well as internal control system and risk management mechanism.

During the Reporting Year, involvement of BT in internal control of the Group and its review included: 1) planning and defining scope of audit with the Audit Committee and the Board; 2) evaluating and testing the scopes of overall corporate governance environment, sales to cash cycle, human resources and salary cycle, and information technological system risk management cycle, etc; 3) putting forward the Report on Internal Control Review and its Recommendations to the Audit Committee and the Board.

The Board and the Audit Committee have reviewed the report and recommendations and passed to the management for studying and follow-up.

AUDITOR'S REMUNERATION AND AUDITOR RELATED MATTERS

For the Reporting Year, the external auditor of the Company received HK$1,273,000, being the audit fees in full in relation to the audit services rendered.

BOARD DIVERSITY POLICY

The Board has established the Board Diversity Policy to achieve a sustainable and balanced development of the Company, a summary of which is as follows:

1. Set out the approach to achieve diversity of the Board of the Company;

2. In determining the composition of the Board, the Company considers the diversity of the Board from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and service tenure. All Board appointments are based on meritocracy;

3. Disclose the composition of the Board regularly; and

4. Set up measurable goals and establish the skill matrix of the Board and report the progress toward meeting the standards regularly.

Final decisions of appointing the Directors to be made by the Board will be based on each candidate's attributes and contributions to be made to the Board. The Nomination Committee monitors the implementation of the Board Diversity Policy, reviews the Board Diversity Policy as and when appropriate and recommends any revisions for the Board's approval to ensure its effectiveness. Although none of female member was appointed to the Board previously within the target period, thus the Board has not been considered as a diverse board, the Nomination Committee considers that the existing structure, size and composition of the Board can effectively lead and supervise its operation, and has set a target of appointing one female member by 2025. For this target, the Nomination Committee is obliged to propose appointment of female director on board in the course of its meeting, and the management team of the Group has planned to engage a human resource consulting firm for identifying female director candidates.

In respect of employee diversity policy, the gender ratio of employees of the Group for the year ended 31 March 2022 by rank is:

Rank	**Number of male employees**	**Number of female employees**
Senior management and supervisors	23	10
Middle management	153	54
General staff	478	242

To achieve the goal of employee diversity, gender factor will be taken into consideration in staff recruitment by the management team in order to strike, to the maximum extent possible, a gender balance, but there are certain limitations for women in the workplace, such as physically demanding works and night shift jobs.

The Board will perform annual review of Board Diversity Policy for ensuring its constant effectiveness, monitor the implementation of Board Diversity Policy and report its details in the Corporate Governance Report annually.

SHAREHOLDERS' RIGHTS

Shareholders are encouraged to attend all general meetings of the Company. Shareholders holding not less than 5% of the total voting rights of all Shareholders have rights to call for a general meeting and put forward agenda items for consideration by Shareholders. Shareholders may make such a request together with the proposed agenda items by written or electronic format and send to the Company Secretary. If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting for a day not more than twenty-eight days after the date on which the notice convening the meeting is given, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may by themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

In addition, Shareholders representing not less than 2.5% of the total voting rights of all Shareholders or of at least fifty Shareholders, may put forward proposals for consideration at the AGM. However, all proposals should be submitted by written or electronic format and send to the Company Secretary at least six weeks before the AGM or the time at which notice is given of that AGM in the case of a requisition requiring notice of a resolution or one week before the AGM in the case of any other requisition. The Company shall send a copy of such notice of resolution or the statement in respect of any other requisition to the Shareholders at the Company's expenses. If, however, after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company, the AGM is called for a date six weeks or less after the copy has been deposited, the copy though not deposited within the time required as referred to above shall be deemed to have been properly deposited for the purposes thereof.

Enquiries may be put to the Board through the Company Secretary by post at Oriental Media Centre, 23 Dai Cheong Street, Tai Po Industrial Estate, Hong Kong or by email to finance@on.cc.

INVESTORS RELATION

There was no change in the Company's Articles of Association during the Reporting Year.

SHAREHOLDERS' COMMUNICATION POLICY

The Company has established a Shareholders' Communication Policy with the objective of promoting effective communication between the Company and its shareholders, encouraging its shareholders to participate into the affairs of the Company and allowing them to effectively exercise their rights.

As set out in the Shareholders' Communication Policy, the Company will provide, from time to time, its shareholders corporate communications in due course via the websites of the Company at https://oeh.on.cc and the Stock Exchange at www.hkexnews.hk respectively, including but not limited to annual report, interim report, notice of meeting, circular, proxy form as well as announcement and other documents required by the Listing Rules. The AGM serves as the principal channel of communication between the Company and the Shareholders, thus, all the Shareholders are advised to attend it.

After reviewing the Shareholders' Communication Policy, the Company is of the view that such policy has effectively promoted sound communication between the Company and the Shareholders.

CORPORATE STRATEGY, BUSINESS MODEL AND CULTURE

The Company has always been committed to creating value for the Shareholders. The principal business of the Group is publication of newspaper. The Group has built a high reputation of telling the truth in a prompt manner with no fear of arduousness, fostering a high-performance culture with an emphasis on professionalism which is the value concept of the Board in management. As people are our foremost priority, the Group treasures the staff opinion and has established multiple channels for collecting opinion from staff members for consideration. A flexible reward system of the Group has been in place for offering its employees performance-based extra salary increment, bonus and other rewards in addition to annual salary adjustment upon performance review.

The Group has adopted a defensive strategy in investment with great attention to capital security. In formulating its long-term development goals, the Group may adjust its strategies under prevailing circumstances to minimise investment risks and protect the interests of the Shareholders, and the Board will also monitor the performance and the effectiveness of the investing strategies from time to time. In addition, the Board is obliged to perform the function of supervising corporate governance.

FINANCIAL REPORTING

Directors' Duties in relation to Financial Statements

The Directors acknowledge their responsibility for the preparation of the financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the Group and of the Group's results and cash flow for that period. The Audit Committee has reviewed the accounting principles and practices adopted by the Group with the management. The Directors confirm that the Consolidated Financial Statements for the Reporting Year were prepared in accordance with statutory requirements and applicable accounting standards. The Directors also confirm that to the best of their knowledge and information, having made all reasonable enquiries, they were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

LEVEL AND MAKE-UP OF REMUNERATION AND DISCLOSURE

Directors' remuneration shall be recommended by the Remuneration Committee for approval by the Board. Remuneration of each director and member of senior management shall be determined upon annual review on their duty, performance and responsibility by the Remuneration Committee by reference to prevailing remuneration standards of the Company and market conditions.

Senior Management Members' Emoluments

Details of the Directors' emoluments for the year are set out in Note 40 to the Consolidated Financial Statements on pages 108 and 109 of this Annual Report. Pursuant to E.1.5 of Part 2 of the Corporate Governance Code (the version with effective from 1 January 2022), for the Reporting Year, the remuneration range of the senior management members of the Company, who are the executive Directors, is set out below:

Remuneration range (HK$'000)	Number of persons
2,500 to 3,000	1
15,000 to 20,000	2

DIVIDEND POLICY

The Group has established a dividend policy in the interest of shareholders. In considering the dividend payout, the Board will make decisions with reference to the Group's performance and financial position, capital flow, capital requirements and future commitments, as well as past dividend payout ratios.

Independent Auditor's Report

MAZARS CPA LIMITED
中審眾環(香港)會計師事務所有限公司
42nd Floor, Central Plaza,
18 Harbour Road, Wanchai, Hong Kong
香港灣仔港灣道18號中環廣場42樓
Tel電話: (852) 2909 5555
Fax傳真: (852) 2810 0032
Email電郵: info@mazars.hk
Website網址: www.mazars.hk

To the members of Oriental Enterprise Holdings Limited
(formerly known as Oriental Press Group Limited)
(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Oriental Enterprise Holdings Limited *(formerly known as Oriental Press Group Limited)* (the "Company") and its subsidiaries (together the "Group") set out on pages 38 to 110, which comprise the consolidated statement of financial position at 31 March 2022, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group at 31 March 2022, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS *(Continued)*

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of trade receivables	
Refer to Notes 4, 5, 21 and 36(b) to the consolidated financial statements	
At 31 March 2022, the Group had trade receivables of approximately HK$72,687,000 (2021: approximately HK$76,564,000) and loss allowance for expected credit losses ("ECL") of approximately HK$15,780,000 (2021: approximately HK$6,117,000). The management of the Group performed periodic assessment on the recoverability of the trade receivables and the sufficiency of loss allowance for ECL based on information including credit profile of different customers, ageing of the trade receivables, historical settlement records, subsequent settlement status, expected timing and amount of realisation of outstanding balances and ongoing business relationships with the relevant customers. The management of the Group also considered forward-looking information that may impact the customers' ability to repay the outstanding balances in order to estimate the loss allowance for ECL assessment. Most of these assessments involved significant judgements of the management of the Group. We have identified the above matter as a key audit matter because of its significance of the balance. Furthermore, a high level of management's judgement is required in assessing the loss allowance for ECL on trade receivables.	Our key procedures, among others, included: • obtaining an understanding of the Group's credit risk management and practices and assessing the Group's impairment provisioning policy in accordance with the requirements of applicable accounting standards; • assessing and challenging the application of impairment methodology of ECL, and checking the assumptions and key parameters to external data sources where available, on a sample basis; • assessing and challenging the reasonableness and relevancy of the external information used by the Group as the forward-looking information; • testing, on a sample basis, the accuracy of ageing categories of trade receivables based on relevant delivery notes, sales invoices and sales contracts; and • checking the calculation of ECL based on the methodology adopted by the Group and the adequacy of the Group's disclosures in relation to credit risk exposed by the Group in the consolidated financial statements.

KEY AUDIT MATTERS *(Continued)*

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of property, plant and equipment	
Refer to Notes 4, 5 and 15 to the consolidated financial statements	
The Group had property, plant and equipment with carrying value of approximately HK$427,480,000 (2021: approximately HK$465,228,000) at 31 March 2022, representing approximately 20.8% (2021: approximately 22.3%) of the Group's total assets. In view of the traditional newspapers industry is facing dire challenges from digital media in recent years together with a review of the Group's industry outlook and the operating plans, the management of the Group identified the existence of impairment indications on the property, plant and equipment. The management of the Group engaged an independent professional valuer to assess the value-in-use of the property, plant and equipment, which is determined based on the recoverable amount of the respective cash generating unit ("CGU") to which the property, plant and equipment are included. The impairment assessment involves the management's estimates in certain areas including the discount rate and the underlying cash flow projection based on the future market supply and demand conditions. Any changes in the management's estimates may result in significant financial impact to the Group. We have identified the impairment assessment of property, plant and equipment as a key audit matter due to the significance of the balance, combined with the judgements and estimates involved in the management's impairment assessment of property, plant and equipment. The management of the Group concluded that the recoverable amount of the CGU is higher than its carrying value and no impairment provision was required for the current year.	Our key procedures, among others, included: • inquiring the management of the Group, understanding their determination of impairment indications and their method used for the impairment assessment of property, plant and equipment; • evaluating the competence, capabilities and objectivity of the independent professional valuer; • understanding the valuation methodology as adopted on the estimation of recoverable amount of the relevant CGU and the key inputs used, and assessing whether they are reasonable and supportable; • performing a sensitivity analysis for the key assumptions, such as projected revenue and evaluating the reasonableness of key inputs and assumptions used by the management of the Group, including discount rate; • discussing the valuation with the independent professional valuer and challenging key estimates adopted in the valuation, including those relating to future cash flows to be derived from continuing use of the asset and discount rate, through the analysis of the industry comparable; and • assessing the reasonableness of the management's impairment assessment of property, plant and equipment in accordance with the requirements of the prevailing accounting standards and considering the adequacy of the Group's disclosures in relation to the impairment assessment.

KEY AUDIT MATTERS *(Continued)*

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties (including investment properties classified as held for sale)	
Refer to Notes 4, 5, 17 and 25 to the consolidated financial statements	
The Group's investment properties (including investment properties classified as held for sale) are located in Hong Kong and Australia that are measured at fair value amounted to approximately HK$524,086,000 (2021: approximately HK$489,998,000) at 31 March 2022, represented approximately 25.5% (2021: approximately 23.5%) of the Group's total assets. The fair values were determined by the Group with reference to the valuation performed by the independent professional valuers engaged by the Group. The valuations are dependent on certain key assumptions that require significant management's judgements including the determination of valuation techniques and the selection of difference inputs in the valuation models. We have identified the valuation of investment properties as a key audit matter due to the significance of the balance, combined with the judgements and estimates involved in the fair value measurement.	Our key procedures, among others, included: • understanding the management's valuation models used, development of significant assumptions and estimates, and major data inputs related to the valuation models; • evaluating the competence, capabilities and objectivity of the independent professional valuers; • assessing the methodologies used and the appropriateness of the key assumptions by benchmarking against the property market; • considering the appropriateness of the resale values and market unit rent estimated by the independent professional valuers based on the recent transaction prices in the property market; • comparing, on a sample basis, tenancy information included in the valuation models with the underlying contracts and related documentation; and • discussing the valuations with the independent professional valuers and challenging key estimates adopted in the valuations, including those relating to selling prices and market unit rent, by comparing them with historical rates and available market data, taking into consideration comparability and other local market factors, on sample basis.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the 2022 annual report of the Company but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Mazars CPA Limited
Certified Public Accountants
Hong Kong, 24 June 2022

The engagement director on the audit resulting in this independent auditor's report is:
She Shing Pang
Practising Certificate number: P05510

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2022

	Note	2022 HK$'000	2021 HK$'000
Revenue	6	**735,782**	699,619
Other income, net	6	**33,127**	93,354
Raw materials and consumables used		**(71,499)**	(66,601)
Staff costs including directors' emoluments	8	**(387,606)**	(445,942)
Depreciation of property, plant and equipment		**(33,052)**	(34,054)
Other operating expenses		**(99,261)**	(91,585)
Fair value gain on investment properties	17	**22,220**	39,896
Fair value gain/(loss) on financial asset at fair value through profit or loss ("FVTPL")	18	**3**	(636)
Net exchange gain		**361**	41,634
(Loss)/Gain on disposal of property, plant and equipment		**(412)**	532
Finance costs	10	**(276)**	(269)
Profit before tax	9	**199,387**	235,948
Income tax expenses	11	**(31,513)**	(23,117)
Profit for the year		**167,874**	212,831
Other comprehensive (loss)/income for the year, net of tax			
Item that may be reclassified subsequently to profit or loss:			
– Exchange differences on translation of foreign operations		**(2,482)**	24,887
Total comprehensive income for the year		**165,392**	237,718
Profit for the year attributable to:			
Owners of the Company		**166,744**	211,238
Non-controlling interests		**1,130**	1,593
		167,874	212,831
Total comprehensive income attributable to:			
Owners of the Company		**164,733**	234,888
Non-controlling interests		**659**	2,830
		165,392	237,718
Earnings per share (expressed in Hong Kong cents)			
Basic and diluted	13	**HK6.95 cents**	HK8.81 cents

Consolidated Statement of Financial Position

At 31 March 2022

	Note	2022 HK$'000	2021 HK$'000
Non-current assets			
Property, plant and equipment	15	**427,480**	465,228
Leasehold land	16	**19,692**	20,480
Investment properties	17	**313,267**	489,998
Financial asset at FVTPL	18	**8,820**	8,817
Loans and interest receivables	22	**2,616**	5,021
Deferred tax assets	19	**2,385**	4,653
		774,260	994,197
Current assets			
Inventories	20	**65,292**	50,474
Trade receivables	21	**56,907**	70,447
Loans and interest receivables	22	**301,911**	287,217
Other debtors, deposits and prepayments	23	**12,967**	14,526
Income tax recoverable		**2,139**	11,285
Cash and cash equivalents	24	**633,593**	654,265
		1,072,809	1,088,214
Investment properties classified as held for sale	25	**210,819**	–
Total current assets		**1,283,628**	1,088,214
Current liabilities			
Trade payables	26	**20,974**	13,052
Other creditors, accruals and deposits received	27	**71,982**	47,056
Contract liabilities	28	**5,970**	7,422
Income tax payable		**15,710**	406
Borrowings	29	**7,053**	7,110
Total current liabilities		**121,689**	75,046
Net current assets		**1,161,939**	1,013,168
Total assets less current liabilities		**1,936,199**	2,007,365
Non-current liabilities			
Deferred tax liabilities	19	**72,144**	68,910
Net assets		**1,864,055**	1,938,455

Consolidated Statement of Financial Position

At 31 March 2022

	Note	2022 HK$'000	2021 HK$'000
Capital and reserves			
Share capital	30	**1,413,964**	1,413,964
Reserves		**441,499**	516,558
Equity attributable to owners of the Company		**1,855,463**	1,930,522
Non-controlling interests		**8,592**	7,933
Total equity		**1,864,055**	1,938,455

The consolidated financial statements on pages 38 to 110 were approved and authorised for issue by the Board of Directors on 24 June 2022 and are signed on its behalf by

Ching-fat MA
Director

King-ho MA
Director

Consolidated Statement of Cash Flows

For the year ended 31 March 2022

	Note	2022 HK$'000	2021 HK$'000
OPERATING ACTIVITIES			
Profit before tax		**199,387**	235,948
Adjustments for:			
Interest income earned on bank balances and short-term bank deposits	6	**(1,200)**	(4,550)
Finance costs	10	**276**	269
Loss allowance for ECL on trade receivables	36(b)	**10,264**	2,331
Depreciation of property, plant and equipment	15	**33,052**	34,054
Net exchange gain		**(361)**	(41,634)
Amortisation of leasehold land	16	**788**	788
Fair value gain on investment properties	17	**(22,220)**	(39,896)
Fair value (gain)/loss on financial asset at FVTPL	18	**(3)**	636
Loss/(Gain) on disposal of property, plant and equipment		**412**	(532)
Operating cash flows before changes in working capital		**220,395**	187,414
Changes in working capital:			
Inventories		**(14,818)**	2,159
Trade receivables		**3,276**	1,022
Loans and interest receivables		**(12,289)**	(68,316)
Other debtors, deposits and prepayments		**1,180**	8,644
Trade payables		**7,922**	(2,922)
Other creditors, accruals and deposits received		**24,926**	(16,008)
Contract liabilities		**(1,452)**	2,523
Cash generated from operations		**229,140**	114,516
Income tax paid		**(17,346)**	(14,219)
Income tax refunded		**15,886**	2,322
Net cash from operating activities		**227,680**	102,619
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(9,278)**	(4,212)
Proceeds from disposal of property, plant and equipment		**630**	560
Interest received for bank balances and short-term bank deposits		**1,200**	4,959
Net cash (used in)/generated from investing activities		**(7,448)**	1,307

Consolidated Statement of Cash Flows

For the year ended 31 March 2022

	Note	2022 HK$'000	2021 HK$'000
FINANCING ACTIVITIES			
Dividends paid	12(b)	**(239,792)**	(47,958)
Interest paid	41	**(276)**	(269)
Net cash used in financing activities		**(240,068)**	(48,227)
Net (decrease)/increase in cash and cash equivalents		**(19,836)**	55,699
Cash and cash equivalents at beginning of the reporting period		**654,265**	594,108
Effect of foreign exchange rate changes		**(836)**	4,458
Cash and cash equivalents at end of the reporting period	24	**633,593**	654,265

Consolidated Statement of Changes in Equity

For the year ended 31 March 2022

	Equity attributable to owners of the Company						
	Share capital HK$'000 (Note 30)	Exchange translation reserve* HK$'000 (Note (i))	Properties revaluation reserve* HK$'000 (Note (ii))	Retained profits* HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 April 2020	1,413,964	(3,468)	9,700	323,396	1,743,592	5,103	1,748,695
Profit for the year	–	–	–	211,238	211,238	1,593	212,831
Other comprehensive income							
Item that may be reclassified subsequently to profit or loss:							
– Exchange differences arising on translation of foreign operations	–	23,650	–	–	23,650	1,237	24,887
Total comprehensive income for the year	–	23,650	–	211,238	234,888	2,830	237,718
Transactions with owners							
2021 interim dividend paid *(Note 12(b))*	–	–	–	(47,958)	(47,958)	–	(47,958)
At 31 March 2021	1,413,964	20,182	9,700	486,676	1,930,522	7,933	1,938,455
At 1 April 2021	**1,413,964**	**20,182**	**9,700**	**486,676**	**1,930,522**	**7,933**	**1,938,455**
Profit for the year	**–**	**–**	**–**	**166,744**	**166,744**	**1,130**	**167,874**
Other comprehensive loss							
Item that may be reclassified subsequently to profit or loss:							
– Exchange differences arising on translation of foreign operations	**–**	**(2,011)**	**–**	**–**	**(2,011)**	**(471)**	**(2,482)**
Total comprehensive income for the year	**–**	**(2,011)**	**–**	**166,744**	**164,733**	**659**	**165,392**
Transactions with owners							
2021 final dividend paid *(Note 12(b))*	**–**	**–**	**–**	**(47,958)**	**(47,958)**	**–**	**(47,958)**
2021 special dividend paid *(Note 12(b))*	**–**	**–**	**–**	**(119,896)**	**(119,896)**	**–**	**(119,896)**
2022 interim dividend paid *(Note 12(b))*	**–**	**–**	**–**	**(71,938)**	**(71,938)**	**–**	**(71,938)**
	–	**–**	**–**	**(239,792)**	**(239,792)**	**–**	**(239,792)**
At 31 March 2022	**1,413,964**	**18,171**	**9,700**	**413,628**	**1,855,463**	**8,592**	**1,864,055**

* These reserve accounts represented in aggregate the consolidated reserves of approximately HK$441,499,000 (2021: approximately HK$516,558,000) in the consolidated statement of financial position.

Note:

(i) Exchange translation reserve

The exchange translation reserve comprises all foreign exchange differences arising from the translation of foreign operations.

(ii) Properties revaluation reserve

Properties revaluation reserve comprises the reserve arising from valuation of properties under property, plant and equipment upon transfer to investment properties in previous years.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2022

1. GENERAL INFORMATION

Oriental Enterprise Holdings Limited (the "Company"), is a limited liability company incorporated and domiciled in Hong Kong. The address of its registered office is Oriental Media Centre, 23 Dai Cheong Street, Tai Po Industrial Estate, Hong Kong, and its principal place of business is in Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activities of the Company are investment holding and provision of corporate management services. The principal activities and other particulars of the Company and its subsidiaries (collectively referred to as the "Group") are set out in Note 37 to the consolidated financial statements.

Following the passing of a special resolution in relation to the change of company name by the Company's shareholders at the Annual General Meeting on 11 August 2021, the name of the Company was changed from Oriental Press Group Limited to Oriental Enterprise Holdings Limited with effect from 20 August 2021 when the Certificate of Change of Name was issued by the Registrar of Companies in Hong Kong.

2. STATEMENT OF COMPLIANCE

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 on the Stock Exchange (the "Listing Rules"). 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 2021. The adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current year as set out in Note 3 to the consolidated financial statements.

A summary of the principal accounting policies adopted by the Group is set out in Note 4 to the consolidated financial statements.

3. ADOPTION OF NEW/REVISED HKFRSs

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

Amendments to HKAS 39, HKFRSs 4, 7, 9 and 16	Interest Rate Benchmark Reform – Phase 2
Amendments to HKFRS 16	COVID-19-Related Rent Concessions Beyond 30 June 2021

3. APPLICATION OF NEW/REVISED HKFRSs *(Continued)*

Amendments to HKAS 39, HKFRSs 4, 7, 9 and 16: Interest Rate Benchmark Reform – Phase 2

The amendments address issues that might affect financial reporting when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the interest rate benchmark reform (the "Reform"). The amendments complement those issued in November 2019 and relate to:

- changes to contractual cash flows – a company will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the Reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;

- hedge accounting – a company will not have to discontinue its hedge accounting solely because it makes changes required by the Reform, if the hedge meets other hedge accounting criteria; and

- disclosures – a company will be required to disclose information about new risks arising from the Reform and how it manages the transition to alternative benchmark rates.

Amendments to HKFRS 16: COVID-19-Related Rent Concessions Beyond 30 June 2021

The amendments exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allow lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19-related rent concessions that reduce lease payments due on or before 30 June 2022. The amendments do not affect lessors.

In accordance with the transition provisions therein, the amendments have been applied retrospectively by the Group recognising the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained profit and therefore the comparative information has not been restated.

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

3. APPLICATION OF NEW/REVISED HKFRSs *(Continued)*

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 16	Proceeds before Intended Use [1]
Amendments to HKAS 37	Cost of Fulfilling a Contract [1]
Amendments to HKFRS 3	Reference to the Conceptual Framework [1]
Annual Improvements to HKFRSs	2018 – 2020 Cycle [1]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current [2]
Amendments to HKAS 1	Disclosure of Accounting Policies [2]
Amendments to HKAS 8	Definition of Accounting Estimates [2]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction [2]
HKFRS 17	Insurance Contracts [2]
Amendments to HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information [2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [3]

1 Effective for annual periods beginning on or after 1 January 2022
2 Effective for annual periods beginning on or after 1 January 2023
3 The effective date to be determined

The directors of the Company 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.

4. SIGNIFICANT ACCOUNTING POLICIES

Basis of measurement

The measurement basis used in preparation of the consolidated financial statements is historical cost except for the investment properties and financial asset at FVTPL, which are measured at fair value as explained in the accounting policies set out below.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company using consistent accounting policies.

All intra-group balance, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of consolidation *(Continued)*

Non-controlling interests are presented, separately from owners of the Company, in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation, are measured initially either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are initially measured at fair value, unless another measurement basis is required by HKFRSs.

Allocation of total comprehensive income

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to the owners of the Company and the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

Changes in ownership interest

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group losses control of a subsidiary, a profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when control is lost. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for on the same basis as would be required of the holding company had directly disposed of the related assets or liabilities. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition of as a financial asset, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position which is presented within these notes, an investment in subsidiary is stated at cost less impairment loss. The carrying amount of the investment is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Non-current assets held for sales

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. The management of the Group must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell, except for investment properties measured at fair value.

Property, plant and equipment

Property, plant and equipment including building held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation is calculated on the straight-line basis to write off the cost of assets to its residue value over its estimated useful lives. The principal annual rates used for this purpose are as follows:

Hong Kong leasehold buildings	Over the shorter of the lease terms and estimated useful lives
Leasehold land	Over the shorter of the lease terms and estimated useful lives
Plant, machinery and printing equipment	5.0%–33.3%
Furniture, fixtures and equipment	20.0%–33.3%
Leasehold buildings improvements	20.0%
Motor vehicles	18.8%–25.0%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment *(Continued)*

Assets held under finance leases are depreciated over their expected useful life on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

If a property occupied by the Group as an owner-occupied property becomes an investment property measured at fair value, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment" up to date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation surplus or deficit.

Investment properties

Investment properties are properties, including the hotel property, that are held to earn rental income and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value at the end of the reporting period. Any gain or loss arising from a change in fair value is recognised in profit or loss. The fair value of investment property is based on a valuation by an independent professional valuer who holds a recognised professional qualification and has recent experience in the location and category of property being valued.

The fair value reflects, among other things, rental income from current leases and other assumptions that market participants would use when pricing investment property under current market conditions and is adjusted for separately recognised assets or liabilities to avoid double-counting assets or liabilities.

If an item of investment property becomes a property, plant and equipment because its use has changed as evidenced by commencement of owner-occupation, the property's deemed cost for subsequent accounting shall be its fair value at the date of change in use.

When a property occupied by the Group as an owner-occupied property becomes an investment property following a change in its use, at which time it is reclassified and subsequently accounted for as an investment property.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises the financial asset to the extent of its continuing involvement and an associated liability for amounts it may have to pay.

Classification and measurement

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at FVTPL, transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at fair value through other comprehensive income ("FVOCI"); (iii) equity investment measured at FVOCI; or (iv) measured at FVTPL.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Classification and measurement (Continued)

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

1) Financial assets measured at amortised cost
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

(i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Group's financial assets at amortised cost include loans and interest receivables, trade and other receivables and cash and cash equivalents.

2) Financial assets at FVTPL

These investments include financial assets that are not measured at amortised cost or FVOCI, including financial assets held for trading, financial assets designated upon initial recognition as at FVTPL, financial assets resulting from a contingent consideration arrangement in a business combination to which HKFRS 3 applies and financial assets that are otherwise required to be measured at FVTPL. They are carried at fair value, with any resultant gain and loss recognised in profit or loss, which does not include any dividend or interest earned on the financial assets. Dividend or interest income is presented separately from fair value gain or loss.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Classification and measurement (Continued)

2) Financial assets at FVTPL *(Continued)*

A financial asset is classified as held for trading if it is:

(i) acquired principally for the purpose of selling it in the near term;
(ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking on initial recognition; or
(iii) a derivative that is not a financial guarantee contract or not a designated and effective hedging instrument.

Financial assets are designated at initial recognition as at FVTPL only if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases.

The Group's financial assets mandatorily measured at FVTPL include club membership.

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVTPL, transaction costs that are directly attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables and borrowings. All financial liabilities, except for financial liabilities at FVTPL, are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment of financial assets and other items under HKFRS 9

The Group recognises loss allowances for expected credit losses ("ECL") on financial assets that are measured at amortised cost, Mandatory FVOCI, lease receivables, contract assets, loan commitments and financial guarantee contracts issued to which the impairment requirements apply in accordance with HKFRS 9. Except for the specific treatments as detailed below, at each reporting date, the Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive. For a lease receivable, the cash flows used for determining the ECL should be consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Where ECL is measured on a collective basis, the financial instruments are grouped based on the past due information of shared credit risk.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria.

(i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group); or
(ii) there is a breach of financial covenants by the counterparty.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment of financial assets and other items under HKFRS 9 *(Continued)*

Assessment of significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. In particular, the following information is taken into account in the assessment:

- the debtor's failure to make payments of principal or interest on the due dates;
- an actual or expected significant deterioration in the financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- actual or expected changes in the technological, market, economic or legal environment that have or may have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Irrespective of above analysis, the Group presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Low credit risk

A financial instrument is determined to have low credit risk if:

(i) it has a low risk of default;
(ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

As detailed in Note 36(b) to the consolidated financial statements, the Group's cash and cash equivalents are determined to have low credit risk.

Simplified approach of ECL

For trade and other receivables without a significant financing components or otherwise for which the Group applies the practical expedient not to account for the significant financing components, and operating lease receivables, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment of financial assets and other items under HKFRS 9 *(Continued)*

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower.
(b) a breach of contract, such as a default or past due event.
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.
(e) the disappearance of an active market for that financial asset because of financial difficulties.
(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent cash at banks and in hand, time deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value, having been within three months of maturity when acquisition, less bank overdrafts, if any, which are repayable on demand and form an integral part of Group's cash managements are also included as component of cash and cash equivalents.

Revenue recognition

License fee income from the hotel property is recognised on a straight-line basis over the periods covered by the license term in accordance with the license agreements.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Revenue from contracts with customers within HKFRS 15

Nature of goods or services

The nature of the goods or services provided by the Group is as follows:

(i) publication of newspapers and advertising business; and
(ii) other business including rental income from investment properties, license fee income from the hotel property and income from restaurant operation.

Identification of performance obligations

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

(a) a good or service (or a bundle of goods or services) that is distinct; or
(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A good or service that is promised to a customer is distinct if both of the following criteria are met:

(a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and
(b) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Timing of revenue recognition *(Continued)*

Further details of the Group's revenue recognition policies are as follows:

(i) Revenue from publication of newspapers is recognised at a point in time at the completion of delivery to distributors or customers.
(ii) Internet subscription income is recognised at a point in time when the relevant content is authorised to the subscribers.
(iii) Advertising income is recognised at a point in time when the relevant advertisement is published or broadcasted.
(iv) Income from restaurant operation is recognised at a point in time when the meal was provided.
(v) Service income is recognised on performance of obligations in accordance with relevant agreements.

For revenue recognised over time under HKFRS 15, provided the outcome of the performance obligation can be reasonably measured, the Group applies the input method (i.e. based on the proportion of the actual inputs deployed to date as compared to the estimated total inputs) to measure the progress towards complete satisfaction of the performance obligation because there is a direct relationship between the Group's inputs and the transfer of control of goods or services to the customers, where appropriate, and reliable information is available to the Group to apply the method. Otherwise, revenue is recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

Transaction price: significant financing components

When the contract contains a significant financing component (i.e. the customer or the Group is provided with a significant benefit of financing the transfer of goods or services to the customer), in determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money. The effect of the significant financing component is recognised as an interest income or interest expense separately from revenue from contracts with customers in profit or loss.

The Group determines the interest rate that is commensurate with the rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception by reference to, where appropriate, the interest rate implicit in the contract (i.e. the interest rate that discounts the cash selling price of the goods or services to the amount paid in advance or arrears), the prevailing market interest rates, the Group's borrowing rates and other relevant creditworthiness information of the customer of the Group.

The Group has applied the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for the effect of the significant financing component if the period of financing is one year or less.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Variable consideration: volume-based rebates

Some of the Group's advertising service contracts provide certain customers a volume rebate if the customer hit the sales volume hurdles and settled all the invoices due within the contract period. The volume rebates give rise to variable consideration. The Group applies the most likely amount method to estimate the variable consideration. A refund liability would be recognised based on the estimate of the most likely amount to be paid to customer's volume-based rebate. In the comparative period, the Group estimated the most likely amount of volume rebates and recognised it as a reduction of revenue as the sales are recognised. A provision of rebate will be recognised as other creditors in "Other creditors accruals and deposit received", if any.

Allocation of transaction price: stand-alone selling prices

For the contracts of advertising income, the goods or services are normally transferred to the customer in different accounting periods. Therefore, if applicable, the transaction price has to be allocated to the performance obligations based on their relative stand-alone selling prices, which are estimated at contract inception based on observable prices (if available) or the adjusted-market or expected-cost-plus-margin approach.

Contract assets and contract liabilities

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset, excluding any amounts presented as a receivable. Conversely, if a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the contract is presented as a contract liability when the payment is made or the payment is due (whichever is earlier). A receivable is the Group's right to consideration that is unconditional or only the passage of time is required before payment of that consideration is due.

For a single contract or a single set of related contracts, either a net contract asset or a net contract liability is presented. Contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

For the Group's business, it is common for the Group to receive from the customer the whole or some of the contractual payments before the services are completed or when the goods are delivered (i.e. the timing of revenue recognition for such transactions). The Group recognises a contract liability until it is recognised as revenue. During that period, any significant financing components, if applicable, will be included in the contract liability and will be expensed as accrued unless the interest expense is eligible for capitalisation.

The Group's billing to its customers which are largely in line with the timing of revenue recognition and no significant contract assets are recognised.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of Company and its subsidiaries is HK$ except for certain subsidiaries incorporated in Australia, which the functional currency is Australian dollars ("AU$").

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency are translated into functional currency at the rates of exchange prevailing at the dates of the transactions. Monetary items denominated in foreign currencies are translated at the rates of exchange at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies below); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group, using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation, which includes a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a disposal of an interest in a joint arrangement or an associate that includes a foreign operation, of which the retained interest is no longer equity-accounted for, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currency translation *(Continued)*

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of cumulative amount of exchange differences recognised in the separate component of equity is re-attributed to non-controlling interests in that foreign operation and are not reclassified in profit or loss. For all other partial disposals, which includes partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount of exchange differences recognised in the separate component of equity is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Inventories

Inventories are carried at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, other cost that have been incurred in bringing the inventories to their present location and condition, is calculated using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period of the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Impairment of other assets

At the end of each reporting period, the Group reviews internal and external sources of information to assess whether there is any indication that its property, plant and equipment, leasehold land and the Company's investments in subsidiaries may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash-generating unit ("CGU")).

If the recoverable amount of an asset or a CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or CGU that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is recognised as income in profit or loss immediately.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment of other assets *(Continued)*

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with definite useful lives and investment in a joint venture to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment losses (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGUs to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but the increased carrying amount shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior period. A reversal of an impairment loss is recognised immediately in profit or loss.

Borrowing costs

Borrowing costs incurred, net of any investment income on the temporary investment of the specific borrowings, that are directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) has arisen as a result of past events, and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate of the amount of the obligation can be made.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (Where the effect of the time value of money is material).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events that are not wholly within the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that grant will be received, and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is to compensate. Where the grant relates to asset, the fair value is recognised as a deduction from the carrying amount of the relevant asset and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments. Such grant is presented under “Other income” as set out in Note 6 to the consolidated financial statements.

Leases

Definition of a lease

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time exchange for consideration.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

The Group as lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of office premise and printing equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments associated with these leases are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Except for those that are classified as investment properties and measured under fair value model, right-of-use assets are subsequently measured at cost, less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

The Group as lessee *(Continued)*

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments included in measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

Lease liabilities is remeasured (and with a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is measured by discounting the revised lease payments using a revised discount rate at the effective date of modification.

The Group accounts for a lease modification as a separate if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

The Group as lessee *(Continued)*

Lease liabilities (Continued)

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification:

- the Group allocates the consideration in the modified contract on the basis of relative standalone price as described above.
- the Group determines the lease term of the modified contract.
- the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term.
- for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss.
- for all other lease modifications, the Group accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

The Group has applied the practical expedient provided in Amendments to HKFRS 16: *COVID-19-Related Rent Concessions Beyond 30 June 2021* and does not assess whether eligible rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modification. The Group accounts for any change in lease payments resulting from the rent concession the same way it would account for the change applying HKFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
(b) any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
(c) there is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedient consistently to all eligible rent concessions with similar characteristics and in similar circumstances.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

The Group as lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Rental income which is derived from the Group's ordinary course of business are presented under "Revenue" as set out in Note 6 to the consolidated financial statements.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group allocates consideration in a contract to lease and non-lease components on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modifications

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Employee benefits

Retirement benefits to employees are provided through defined contribution plans.

The Group operates a defined contribution retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance ("MPF Ordinance"), for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries, subject to a cap in accordance with the MPF Ordinance.

Contributions are recognised as an expense in profit or loss as employees render services during the reporting period. The Group's obligations under the MPF Scheme are limited to the fixed percentage contributions payable.

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

Long service payments

Employees who have completed certain years of services with the Group are entitled to a long service payment. The Group's net obligations in respect of long service payments are the amounts of future benefits that employees have earned in return for their services in the current and prior periods, calculated in accordance with the applicable laws in Hong Kong.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current or deferred tax for the reporting period is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be use by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Related parties

A related party is a person or entity that is related to the Group.

(a) A person or a close member of that person's family is related to the Group if that person:
   (i) has control or joint control over the Group;
   (ii) has significant influence over the Group; or
   (iii) is a member of the key management personnel of the Group or of a holding company of the Group.

(b) An entity is related to the Group if any of the following conditions applies:
   (i) the entity and the Group are members of the same group (which means that each holding company, subsidiary and fellow subsidiary is related to the others).
   (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
   (iii) both entities are joint ventures of the same third party.
   (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
   (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
   (vi) the entity is controlled or jointly controlled by a person identified in (a).
   (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a holding company of the entity).
   (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to a holding company of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;
(b) children of that person's spouse or domestic partner; and
(c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors of the Company, being the chief operating decision makers, for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported are determined in accordance with the Group's major product and service lines. The Group has identified two reportable segments, the publication of newspapers and money lending business. The publication of newspapers including internet subscription and relevant advertising income.

The measurement policies the Group uses for reporting segment under HKFRS 8 are the same as those used in its consolidated financial statements prepared under HKFRSs, except for corporate income and expenses which are not included in arriving at the operating results of the operating segment as they are not directly attributable to the business activities of any operating segment.

Segment assets include all assets except for financial asset at FVTPL and cash and cash equivalents.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements requires the directors of the Company to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial reporting period, are described below.

Key sources of estimation uncertainty

(i) Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the management of the Group considers information from a variety of sources, including the sales transactions for similar properties on less active market in the same location and condition adjusted to reflect those differences in key valuation attributes that reflect current market assessments of the uncertainty in the amount. The management of the Group works closely with the independent professional valuer to establish the appropriate valuation techniques and inputs to the model.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

Key sources of estimation uncertainty *(Continued)*

(ii) Impairment of property, plant and equipment

The Group's property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses, if any. The carrying amount is reviewed for impairment whenever internal and external sources of information indicate that the carrying amounts may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In estimating the recoverable amounts of assets, various assumptions, including future cash flows to be associated with the non-current assets and discount rates, are made. If future events do not correspond to such assumptions, the recoverable amounts will need to be revised, and this may have an impact on the Group's results of operations or financial position.

(iii) Useful lives of property, plant and equipment

The Group depreciates the property, plant and equipment on a straight-line basis over the estimated useful lives, starting from the date on which the assets are placed into productive use. The estimated useful lives reflect the management's estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment.

(iv) Loss allowance for ECL of loans and interest receivables

Loans and interest receivables are assessed for ECL individually. Loans receivables are assessed under 12-month ECL if the credit risk on loans receivables have not increased significantly while loans receivables are assessed under lifetime ECL if the credit risk on loans receivables have increased significantly since initial recognition. The management of the Group estimates the amount of ECL based on collaterals against loans receivables, borrowers' creditworthiness, the payment delinquency or default in interest or principal payments, borrowers' business and the industry to which borrowers belong and local economic conditions. At the end of each reporting period, the management of the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The loss allowance for ECL is sensitive to changes in estimates.

(v) Loss allowance for ECL of trade receivables

The management of the Group estimates the amount of loss allowance for ECL for trade receivables by assessing the ECLs, which requires the use of estimates and judgements. Assessing the ECLs requires to expected credit loss rates based on credit profile of different customers, ageing of the trade receivables, historical settlement records, subsequent settlement status, expected timing and amount of realisation of outstanding balances and ongoing trading relationships with the relevant customers. The loss allowance for ECL is sensitive to changes in estimates.

(vi) Provision for long service payments

The Group's provision for long service payments is based on the best estimation of the probable future payments that have been earned by the employees from their services to the Group at the end of each reporting period. The payments due are dependent on future events and recent payment experience may not be indicative of future payments. Any increase or decrease in the provision would affect profit or loss in future periods.

6. REVENUE AND OTHER INCOME

Revenue recognised during the year is as follows:

	2022 HK$'000	2021 HK$'000
Revenue from contracts with customers within HKFRS 15 recognised at a point in time:		
Publication of newspapers and advertising income	**541,638**	524,647
Internet subscription and advertising income	**134,401**	127,519
Income from restaurant operation	**5,451**	6,394
Revenue from other sources:		
Interest earned on loans receivables	**30,612**	21,081
License fee income from hotel property	**9,112**	6,865
Rental income from investment properties	**14,568**	13,113
	735,782	699,619

	2022 HK$'000	2021 HK$'000
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	**1,946**	1,527
Other service income	**13,399**	8,377
Other income from contracts with customers within HKFRS 15 recognised over time:		
Other service income	**10,954**	11,847
Other income from other sources:		
Interest earned on bank balances and short-term deposits	**1,200**	4,550
Government grants (Note)	**–**	61,289

6. REVENUE AND OTHER INCOME *(Continued)*

Note:

During the year ended 31 March 2021, the Group had recognised government grants as follows:

(i) approximately HK$59,768,000 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;

(ii) approximately HK$1,513,000 of the government grants is the funding support from Job Keeper Payment Scheme ("JKPS") and Temporary Cashflow Boost ("TCB") administered by the Australian Taxation Office. The purpose of the JKPS and TCB is to support businesses affected by COVID-19 and to help keep more Australians in jobs; and

(iii) approximately HK$8,000 of the government grants is the funding support from the Enhanced Anti-epidemic Support Scheme for Property Management Sector ("Enhanced ASPM") under the Anti-epidemic Fund set up by the Hong Kong Special Administrative Region Government. The purpose of the Enhanced ASPM is to provide financial support to industrial and commercial building block to alleviate the costs arising from heightened cleansing efforts.

7. SEGMENT INFORMATION

Based on the regular internal financial information reported to the executive directors of the Company, being the chief operating decision makers, for their decisions about resources allocation to the Group's business components and review of these components' performance, the executive directors of the Company have identified reportable operating segments, including the publication of newspapers, money lending business and other operating segments. The publication of newspapers includes internet subscription of newspapers 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.

7. SEGMENT INFORMATION *(Continued)*

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 newspapers		Money lending business		All other operating segments		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Reportable segment revenue from external customers	**676,039**	652,166	**30,612**	21,081	**29,131**	26,372	**735,782**	699,619
Reportable segment results	**183,197**	91,057	**21,631**	19,460	**12,264**	39,427	**217,092**	149,944
Government grants	**–**	58,634	**–**	–	**–**	2,655	**–**	61,289
Unallocated corporate income							**20,706**	21,833
Unallocated exchange gain							**361**	41,634
Unallocated corporate expenses							**(38,772)**	(38,752)
Profit before tax							**199,387**	235,948
Other information								
(Reversal of)/Loss allowance for ECL	**(679)**	224	**–**	–	**10,943**	2,107	**10,264**	2,331
Depreciation and amortisation	**(29,904)**	(33,589)	**–**	–	**(3,936)**	(1,253)	**(33,840)**	(34,842)
Fair value gain on investment properties	**–**	–	**–**	–	**22,220**	39,896	**22,220**	39,896
Additions to property, plant and equipment	**9,593**	3,644	**–**	–	**64**	568	**9,657**	4,212

7. SEGMENT INFORMATION *(Continued)*

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

Reportable segment assets and liabilities

	Publication of newspapers		Money lending business		All other operating segments		Total	
	2022 HK$'000	2021 HK$'000	**2022 HK$'000**	2021 HK$'000	**2022 HK$'000**	2021 HK$'000	**2022 HK$'000**	2021 HK$'000
ASSETS								
Segments assets	**496,035**	518,509	**305,137**	293,529	**614,303**	607,291	**1,415,475**	1,419,329
Unallocated assets								
Financial asset at FVTPL							**8,820**	8,817
Cash and cash equivalents							**633,593**	654,265
Total assets							**2,057,888**	2,082,411
LIABILITIES								
Segment liabilities	**124,793**	104,155	**1,283**	120	**67,757**	39,681	**193,833**	143,956

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		Non-current assets	
	2022 HK$'000	2021 HK$'000	**2022 HK$'000**	2021 HK$'000
Hong Kong	**715,779**	683,306	**583,172**	606,957
Australia	**20,003**	16,313	**177,267**	368,749
	735,782	699,619	**760,439**	975,706

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 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 year ended 31 March 2022, approximately HK$372,076,000 (2021: approximately HK$366,146,000) out of the Group's revenue of approximately HK$735,782,000 (2021: approximately HK$699,619,000) was contributed by two (2021: two) customers of approximately HK$199,758,000 (2021: approximately HK$199,891,000) and of approximately HK$172,318,000 (2021: approximately HK$166,255,000), respectively, from segment of publication of newspapers. No other single customer contributed 10% or more to the Group's revenue for the years ended 31 March 2022 and 2021.

8. STAFF COSTS INCLUDING DIRECTORS' EMOLUMENTS

	2022 HK$'000	2021 HK$'000
Wages, salaries and other short-term employee benefits	**373,738**	428,321
Termination benefits	**910**	2,642
Pension costs – defined contribution plans	**12,958**	14,979
	387,606	445,942

Note: For the years ended 31 March 2022 and 2021, there were no forfeited contribution which were available to reduce the Group's existing level of contribution to the MPF Scheme.

9. PROFIT BEFORE TAX

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

	2022 HK$'000	2021 HK$'000
Auditors' remuneration*	**1,273**	1,251
Amortisation of leasehold land*	**788**	788
Raw materials and consumables used	**71,499**	66,601
Land tax expenses*	**994**	3,459
Expenses recognised for lease of low-value assets*	**1,729**	2,244
Under/(Over)-provision of long services payments^	**2,562**	(3,442)
Loss allowance for ECL on trade receivables*	**10,264**	2,331
Repairs and maintenance*	**17,091**	15,982
Water and electricity*	**14,067**	14,888
Rental income from investment properties (excluding hotel property)#	**(14,568)**	(13,113)
Less: Direct operating expenses from investment properties that generated rental income*	**1,548**	1,360
Rental income from investment properties (excluding hotel property) less direct operating expenses	**(13,020)**	(11,753)

* recorded as "Other operating expenses"

recorded as "Revenue"

^ recorded as "Staff costs including directors' emoluments"

10. FINANCE COSTS

	2022 HK$'000	2021 HK$'000
Interest charges on borrowings	**276**	269

11. INCOME TAX EXPENSES

Hong Kong Profits Tax is calculated at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits for the year, except for the first HK$2,000,000 of a qualified entity's assessable profit which is calculated at 8.25%. The two-tiered profits tax rates regime is applicable to one entity within the Group for the years ended 31 March 2022 and 2021.

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 2022 and 2021.

	2022	2021
	HK$'000	HK$'000
Current tax:		
Hong Kong Profits Tax	**25,908**	8,852
Over-provision in prior year:		
Hong Kong Profits Tax	**–**	(559)
Overseas income tax	**–**	(251)
	–	(810)
Deferred taxation (Note 19)		
Origination of temporary differences	**5,605**	15,075
	31,513	23,117

The income tax expenses for the year can be reconciled to the profit before tax as follows:

	2022	2021
	HK$'000	HK$'000
Profit before tax	**199,387**	235,948
Tax at the Company and the majority of its subsidiaries domestic income tax rate of 16.5% (2021: 16.5%)	**32,899**	38,931
Effect of different tax rates of subsidiaries operating in other jurisdictions	**2,214**	4,658
Tax effect of non-taxable revenue	**(3,800)**	(19,848)
Tax effect of non-deductible expenses	**508**	515
Over-provision in respect of prior years	**–**	(810)
Utilisation of previously unrecognised tax losses	**–**	(16)
Tax effect on temporary differences not recognised	**–**	(6)
Tax effect of two-tiered profits tax regime	**(165)**	(165)
Tax effect on tax concession	**(143)**	(142)
Income tax expenses	**31,513**	23,117

12. DIVIDENDS

(a) Dividends attributable to the year

	2022 **HK$'000**	2021 HK$'000
Interim dividend paid		
HK3 cents per share (2021: HK2 cents)	**71,938**	47,958
Proposed final dividend		
HK3 cents per share (2021: HK2 cents)	**71,938**	47,958
Proposed special dividend		
HK3 cents per share (2021: HK5 cents)	**71,938**	119,896
	215,814	215,812

A final dividend of HK3 cents per share (2021: HK2 cents) and special dividend of HK3 cents per share (2021: HK5 cents) have been proposed by the Board of Directors and are subject to approval by the shareholders in the forthcoming annual general meeting.

(b) Dividends recognised as distributions during the year

	2022 **HK$'000**	2021 HK$'000
2021 interim dividend	**–**	47,958
2021 final dividend	**47,958**	–
2021 special dividend	**119,896**	–
2022 interim dividend	**71,938**	–
	239,792	47,958

13. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of approximately HK$166,744,000 (2021: approximately HK$211,238,000) and on 2,397,917,898 (2021: 2,397,917,898) ordinary shares in issue during the year ended 31 March 2022.

For the years ended 31 March 2022 and 2021, diluted earnings per share was the same as the basic earnings per share as there were no dilutive shares in issue.

14. FIVE HIGHEST PAID INDIVIDUALS

The emoluments of the top five individuals during the year ended 31 March 2022 included three (2021: three) directors, details of whose emoluments are set out in Note 40(a) to the consolidated financial statements. The emoluments payable to the remaining two (2021: two) non-directors, highest paid employees are as follows:

	2022	2021
	HK$'000	HK$'000
Salaries and other benefits	**8,110**	8,110
Contribution to defined contribution plan	**18**	18
	8,128	8,128

The remaining two (2021: two) non-directors, highest paid employees whose remuneration fell within the following bands was follows:

	Number of employees	
	2022	2021
HK$2,000,001 to HK$2,500,000	**1**	1
HK$5,500,001 to HK$6,000,000	**1**	1
	2	2

No emoluments were paid or payable by the Group to the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office during the years ended 31 March 2022 and 2021. There was no arrangement under which the five highest paid individuals waived or agreed to waive any remuneration for the years ended 31 March 2022 and 2021.

15. PROPERTY, PLANT AND EQUIPMENT

	Hong Kong leasehold buildings HK$'000	Plant, machinery, and printing equipment HK$'000	Furniture, fixtures and equipment HK$'000	Leasehold buildings improvements HK$'000	Motor vehicles HK$'000	Total HK$'000
Cost						
At 1 April 2020	655,636	825,801	123,193	8,776	24,357	1,637,763
Additions	–	2,725	669	59	759	4,212
Disposals	–	(1,527)	(873)	–	(2,334)	(4,734)
Exchange realignments	–	613	1,706	–	318	2,637
At 31 March 2021 and 1 April 2021	**655,636**	**827,612**	**124,695**	**8,835**	**23,100**	**1,639,878**
Additions	**–**	**2,763**	**3,351**	**1,988**	**1,555**	**9,657**
Disposals	**–**	**(6,298)**	**(9,539)**	**–**	**(2,267)**	**(18,104)**
Transfer to investment properties (Note 17)	**(14,616)**	**–**	**–**	**–**	**–**	**(14,616)**
Exchange realignments	**–**	**(26)**	**–**	**–**	**(13)**	**(39)**
At 31 March 2022	**641,020**	**824,051**	**118,507**	**10,823**	**22,375**	**1,616,776**
Accumulated depreciation						
At 1 April 2020	230,868	767,007	118,201	8,098	19,094	1,143,268
Provided for the year	15,697	13,052	2,050	237	3,018	34,054
Disposals	–	(1,525)	(848)	–	(2,333)	(4,706)
Exchange realignments	–	393	1,404	–	237	2,034
At 31 March 2021 and 1 April 2021	**246,565**	**778,927**	**120,807**	**8,335**	**20,016**	**1,174,650**
Provided for the year	**15,314**	**12,699**	**1,952**	**635**	**2,452**	**33,052**
Transfer to investment properties (Note 17)	**(1,321)**	**–**	**–**	**–**	**–**	**(1,321)**
Disposals	**–**	**(6,292)**	**(8,503)**	**–**	**(2,267)**	**(17,062)**
Exchange realignments	**–**	**(15)**	**–**	**–**	**(8)**	**(23)**
At 31 March 2022	**260,558**	**785,319**	**114,256**	**8,970**	**20,193**	**1,189,296**
Carrying amounts						
At 31 March 2022	**380,462**	**38,732**	**4,251**	**1,853**	**2,182**	**427,480**
At 31 March 2021	409,071	48,685	3,888	500	3,084	465,228

16. LEASEHOLD LAND

The Group's interests in leasehold land located in Hong Kong represent prepaid lease payments and their carrying amounts are analysed as follows:

	2022	2021
	HK$'000	HK$'000
In Hong Kong held for lease	**19,692**	20,480
At the beginning of the reporting period	**20,480**	21,268
Annual charges of prepaid lease payments	**(788)**	(788)
At the end of the reporting period	**19,692**	20,480

17. INVESTMENT PROPERTIES

	2022	2021
	HK$'000	HK$'000
At fair value		
At the beginning of the reporting period	**489,998**	383,843
Transfer from property, plant and equipment (Note 15)	**13,295**	–
Reclassified as held for sale (Note 25)	**(210,819)**	–
Changes in fair value	**22,220**	39,896
Exchange realignments	**(1,427)**	66,259
At the end of the reporting period	**313,267**	489,998

The Group's entire property interests were held under leases to earn rentals income or for capital appreciation which were measured using fair value model and were classified and accounted for as investment properties. The Group's investment properties were located in Hong Kong and Australia.

Investment properties situated in Australia were revalued at 31 March 2022 and 2021 by Messrs. Jeffrey Perkins & Associates, Property Valuers & Consultants ("Jeffrey Perkins") for the valuation of hotel and Roma Appraisals Limited ("Roma") (2021: Jeffrey Perkins) for the valuation of commercial and retail premises, respectively. Jeffrey Perkins and Roma are independent qualified professional valuers not connected to the Group. The valuations of investment properties have been arrived by adopting direct comparison approach with reference to comparable sales evidence as available in the relevant market with due allowance for the reversionary potential of the respective properties at the end of the reporting period.

Investment properties situated in Hong Kong were revalued at 31 March 2022 and 2021 by Roma (2021: Peak Vision Appraisals Limited ("Peak Vision")), an independent qualified professional valuer not connected to the Group. The valuations of investment properties have been arrived by adopting income approach with reference to the current rents passing and the reversionary income potential of the tenancies or, where appropriate, by reference to comparable sales evidence as available in the relevant markets at the end of the reporting period.

17. INVESTMENT PROPERTIES *(Continued)*

During the year ended 31 March 2022, a previously self-occupied building was determined by the management of the Group to be held for earning rentals by the Group. Accordingly, the carrying amount of approximately HK$13,295,000 has been reclassified from property, plant and equipment following the change in use.

The investment properties are subject to residual value risk. The lease contract, as a result, includes a provision on residual value guarantee based on which the Group has the right to charge the tenant for any damage to the investment properties at the end of the lease. Besides, the Group has purchased insurance to protect it against any loss that may arise from accidents or physical damages of the properties.

None of the Group's investment properties measured at fair value categorised as level 1 and level 2. The fair value of the Group's investment properties is categorised as level 3 are as follows:

	2022	2021
	HK$'000	HK$'000
Investment properties located		
in Australia	**176,172**	366,198
in Hong Kong	**137,095**	123,800
	313,267	489,998

The following table gives information about how the fair values of the major investment properties are determined (in particular, the valuation techniques and inputs used).

Property	**Valuation techniques**	**Significant unobservable inputs**	**Relationship of unobservable input to fair value**	**Sensitivity**
Hotel located in 383 Bulwara Road ULTIMO NSW Australia	Direct comparison approach from available sales evidence.	Sydney hotel market has been severely recessed due to COVID-19 impact. However, it is currently improving with re-opening of international and state borders	Increased fair value due to re-opening of international and state borders, also relaxation of travel restrictions	Moderate sensitivity, with improving post COVID-19 outlook
		Subject equates to approximately AU$313,000 (2021: approximately AU$281,000) per guest room and equates to approximately AU$11,641 (2021: approximately AU$10,477) per square metre for property	A positive future outlook should result in improved values	

17. INVESTMENT PROPERTIES *(Continued)*

Property	Valuation techniques	Significant unobservable inputs	Relationship of unobservable input to fair value	Sensitivity
Office premises located in Unit 1 to 5, 22nd Floor, Island Place Tower Island Place, No. 510 King's Road North Point Hong Kong	Income approach	Market unit rent per month approximately HK$33 to HK$40 per sq. ft. (2021: approximately HK$29 to HK$40) Term yield at 2.30% (2021: 2.75%) Reversionary yield at 2.80% (2021: 2.50%)	Monthly market rent, taking into account the difference in location, and individual factors, i.e. accessibility and environment	A slightly decrease in the term yield and reversionary yield used would result in increase in fair value, and vice versa A slightly increase in the market rent used would result in a slightly increase in fair value, and vice versa
Retail and office building located in 2 Short Street Double Bay NSW Australia (Reclassified as held for sale (Note 25))	Direct comparison approach from available sales evidence	The properties are currently reasonably well let with new tenants. Gym businesses were hard hit during COVID-19 shutdowns and restrictions, however, these restrictions appear to have now been lifted Subject equates to approximately AU$12,183 (2021: approximately AU$11,803) per square meter for properties	Fair value is likely to be improved with post COVID-19 outlook In inferior back-street location to most comparable The current low interest rate environment has encouraged investors and lowered yields	Sensitivity to market has levelled with lifting of restrictions, however, there may be some concerns with government debt and the possibility of interest rates rising

17. INVESTMENT PROPERTIES *(Continued)*

Property	Valuation techniques	Significant unobservable inputs	Relationship of unobservable input to fair value	Sensitivity
Commercial and retail premises located in 29, 31 & 33 Bay Street Double Bay NSW Australia (Reclassified as held for sale (Note 25))	Direct comparison approach from available sales evidence	The properties are currently reasonably well let and with new restaurant tenant undertaking renovations. Restaurant business were hard hit during COVID-19 shutdowns and restrictions, however, these restrictions appear to have now been lifted Subject equates to approximately AU$19,780 (2021: approximately AU$19,341) per square meter for properties	Fair value is likely to be improved with post COVID-19 In inferior back-street location to most comparable The current low interest rate environment has encouraged investors and lowered yields	Sensitivity to market has levelled with lifting of restrictions, however there may be some concerns with government debt and the possibility of interest rates rising
Commercial and retail premises located in 35, 37 & 39 Bay Street Double Bay NSW Australia (Reclassified as held for sale (Note 25))	Direct comparison approach from available sales evidence	The properties are currently reasonably well let and with new restaurant tenant undertaking renovations. Restaurant business were hard hit during COVID-19 shutdowns and restrictions, however, these restrictions appear to have now been lifted Subject equates to approximately AU$25,359 (2021: approximately AU$24,575) per square meter for properties	Fair value is likely to be improved with post COVID-19 In inferior back-street location to most comparable The current low interest rate environment has encouraged investors and lowered yields	Sensitivity to market has levelled with lifting of restrictions, however there may be some concerns with government debt and the possibility of interest rates rising

The fair value measurement was based on the highest and best use of the investment properties, which did not differ from their existing use. There has been no change in the valuation technique used at 31 March 2022 and 2021.

18. FINANCIAL ASSET AT FVTPL

	2022 **HK$'000**	2021 HK$'000
Club membership	**8,820**	8,817

Movement of financial asset at FVTPL is analysed as follows:

	2022 **HK$'000**	2021 HK$'000
At the beginning of the reporting period	**8,817**	9,453
Change in fair value	**3**	(636)
At the end of the reporting period	**8,820**	8,817

The fair value less transfer fee of the club membership was approximately HK$8,820,000 (2021: approximately HK$8,817,000) as valued by Roma (2021: Peak Vision), an independent professional valuer not connected to the Group. The valuation has been arrived by adopting market approach with reference to comparing the asset being valued to comparable assets recently sold and were categorised as level 2 of the fair value hierarchy. For the year ended 31 March 2022, an increase in fair value of approximately HK$3,000 (2021: decrease in fair value of approximately HK$636,000) is recognised in profit or loss.

19. DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using the applicable tax rates at the end of the reporting period in the tax jurisdiction concerned.

The movement in deferred tax assets and liabilities during the year is as follows:

	Accelerated tax depreciation HK$'000	**Revaluation of properties** HK$'000	**Tax losses** HK$'000	**Others** HK$'000	**Total** HK$'000
At 1 April 2020	27,128	34,929	(15,072)	(1,543)	45,442
Recognised in profit or loss (Note 11)	(753)	10,679	3,929	1,220	15,075
Exchange realignments	(53)	5,436	(1,869)	226	3,740
At 31 March 2021 and 1 April 2021	**26,322**	**51,044**	**(13,012)**	**(97)**	**64,257**
Recognised in profit or loss (Note 11)	**(2,416)**	**6,397**	**3,924**	**(2,300)**	**5,605**
Exchange realignments	**5**	**(143)**	**113**	**(78)**	**(103)**
At 31 March 2022	**23,911**	**57,298**	**(8,975)**	**(2,475)**	**69,759**

19. DEFERRED TAXATION *(Continued)*

At 31 March 2022, deferred tax liabilities of approximately AU$2,749,000 (equivalent to approximately HK$16,145,000) attribute to revaluation of properties and deferred tax assets of approximately AU$1,025,000 (equivalent to approximately HK$6,017,000) attribute to tax losses, respectively, represented the liabilities associated with investment properties classified as held for sale as set out in Note 25 to the consolidated financial statements

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2022	2021
	HK$'000	HK$'000
Deferred tax assets	**(2,385)**	(4,653)
Deferred tax liabilities	**72,144**	68,910
At the end of the reporting period	**69,759**	64,257

Deferred tax assets are recognised for tax losses of approximately AU$1,586,000 (equivalent to approximately HK$9,313,000) (2021: approximately AU$1,821,000 (equivalent to approximately HK$10,779,000)) carried forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has accumulated unrecognised tax losses of approximately HK$558,000 (2021: approximately HK$558,000) because it is not probable that future taxable profit will be available against which the subsidiaries can utilise the benefits therefrom. These tax losses have no expiry date.

The accumulated profits of certain foreign subsidiaries would be subject to withholding tax if they are distributed. The estimate withholding tax effects on the distribution of accumulated profits of these foreign entities were approximately of AU$3,055,000 (equivalent to approximately HK$17,941,000) (2021: AU$2,472,000, (equivalent to approximately HK$14,634,000)). In the opinion of the directors of the Company, these accumulated profits, at the present time, are required for financing the continuing operations of the foreign subsidiaries and no distribution would be made in the foreseeable future. Accordingly, no deferred taxation have been provided for in the consolidated financial statements.

20. INVENTORIES

	2022 HK$'000	2021 HK$'000
Newsprint and printing materials	**49,861**	35,476
Spare parts and supplies	**13,445**	13,107
Others	**1,986**	1,891
	65,292	50,474

Inventories of spare parts and supplies totaling of approximately HK$13,445,000 (2021: approximately HK$13,107,000) are expected to be consumed and charged to profit or loss during the course of business and might span for more than 12 months.

21. TRADE RECEIVABLES

	2022 HK$'000	2021 HK$'000
Trade receivables	**72,687**	76,564
Less: Loss allowance for ECL	**(15,780)**	(6,117)
	56,907	70,447

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 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:

	2022 HK$'000	2021 HK$'000
0 – 60 days	**27,567**	32,435
61 – 90 days	**12,018**	11,318
Over 90 days	**17,322**	26,694
	56,907	70,447

Trade receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Included in the Group's trade receivables, the carrying amount of approximately HK$17,322,000 (2021: approximately HK$26,694,000) are past due but not impaired at the end of the reporting period.

21. TRADE RECEIVABLES *(Continued)*

Ageing analysis of trade receivables based on invoice dates which are past due but not impaired is as follows:

	2022 HK$'000	2021 HK$'000
91 – 120 days	**7,325**	8,150
121 – 365 days	**9,070**	17,661
Over 365 days	**927**	883
	17,322	26,694

Details and movements of impairment assessment of trade receivables for the years ended 31 March 2022 and 2021 are set out in Note 36(b) to the consolidated financial statements.

Included in the balances are the trade receivables from contracts with customers within HKFRS15:

	2022 HK$'000	2021 HK$'000
At 1 April	**69,542**	79,621
At 31 March	**54,844**	69,542

For the year ended 31 March 2022, an reversal of loss allowance for ECL of approximately HK$679,000 (2021: charge of loss allowance for ECL of approximately HK$224,000) is recognised for the trade receivables from contracts with the customers within HKFRS 15.

22. LOANS AND INTEREST RECEIVABLES

	2022 HK$'000	2021 HK$'000
Analysed as:		
Current	**301,911**	287,217
Non-current	**2,616**	5,021
	304,527	292,238

At the end of the reporting period, loan receivables were all secured by real estate properties located in Hong Kong which carried fixed interest rates ranging from 1.60% to 11.52% per annum (2021: 1.60% to 21.96% per annum) and have maturity dates ranging from 1 to 16 years (2021: 1 to 17 years) and denominated in HK$. The amount of principal will be receivable on respective maturity dates or by monthly instalments.

22. LOANS AND INTEREST RECEIVABLES *(Continued)*

The maturity dates of the Group's loans and interest receivables are as follows:

	2022	2021
	HK$'000	HK$'000
Within one year	**301,911**	274,705
In more than one year but not more than two years	**156**	451
In more than two years but not more than five years	**482**	1,303
More than five years	**1,978**	3,267
Not yet past due	**304,527**	279,726
More than nine months but less than one year past due but not impaired	**–**	12,425
More than one year past due but not impaired	**–**	87
	304,527	292,238

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 2022, the directors of the Company reassessed all collaterals are located in Hong Kong with reference to recent market price of similar properties with a total market value of approximately HK$428,470,000 (2021: approximately HK$464,800,000).

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.

During the year ended 31 March 2021, included in the loans and interest receivables of approximately HK$12,512,000 which has been past due but not impaired. A writ of possession and fieri facias combined has been issued by Hong Kong High Court on 1 April 2021. During the year ended 31 March 2022, the aforementioned writ of possession and fieri facias has been completed. The collateral has been auctioned and all outstanding loans and interest receivables were fully recovered.

Details of impairment assessment are set out in Note 36(b) to the consolidated financial statements.

23. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

	2022 HK$'000	2021 HK$'000
Other debtors	4,621	2,689
Deposits	5,871	6,046
Deposits paid for acquisition of property, plant and equipment	91	379
Prepayments	2,384	5,412
	12,967	14,526

The carrying amounts of other debtors are neither past due nor impaired.

Details of impairment assessment for other debtors are set out in Note 36(b) to the consolidated financial statements.

24. CASH AND CASH EQUIVALENTS

	2022 HK$'000	2021 HK$'000
Cash at banks and in hand	279,612	194,527
Short-term bank deposits	353,981	459,738
	633,593	654,265

Included in cash at banks and in hand in the consolidated statement of financial position are the following amounts denominated in a currency other than the functional currency of the group entities to which they relate:

	2022 HK$'000	2021 HK$'000
United States Dollars ("US$")	28,918	40,595
AU$	49,910	18,248
Renminbi	1,504	1,440
Other currencies	115	121
	80,447	60,404

Cash at banks earns interest at floating rates based on daily bank deposits rates. The interest rates of short-term bank deposits ranged from 0.03% to 0.53% (2021: 0.08% to 2.06%) per annum and have a maturity period of one month or less and are eligible for immediate cancellation without receiving any interest for the last deposit period.

25. INVESTMENT PROPERTIES CLASSIFIED AS HELD FOR SALE

The assets classified as held for sale are as follow:

	2022 HK$'000	2021 HK$'000
Investment properties	**210,819**	–

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 AU$38,000,000 (approximately HK$223,151,000) (the "Disposal"). The Group received a sales deposit of AU$3,800,000 (approximately HK$22,315,000) as recorded in "Other creditors, Accruals and deposit received" relating to the Disposal. On 21 June 2022, the Disposal is 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 in accordance to HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". In the opinion of the directors of the Company, the excess of the aggregate consideration over the carrying amount of the properties on the Disposal is approximately AU$2,100,000 (approximately HK$12,332,000) excluding the associated transaction costs and tax.

26. 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:

	2022 HK$'000	2021 HK$'000
0 – 60 days	**19,255**	11,453
61 – 90 days	**1,084**	218
Over 90 days	**635**	1,381
	20,974	13,052

27. OTHER CREDITORS, ACCRUALS AND DEPOSITS RECEIVED

	Note	2022 HK$'000	2021 HK$'000
Other creditors		**22,690**	20,195
Deposits received		**4,638**	5,395
Deposits received in relation to the Disposal	25	**22,315**	–
Accruals		**22,339**	21,466
		71,982	47,056

Included in the balance was the provision of long service payments and provision of litigation, the movement for the year ended 31 March 2022 is as follows:

	Long service payment HK$'000	**Litigation** HK$'000
At 1 April 2020	22,185	106
Over-provision for the year	(3,442)	–
Reduction arising from payments	(6,320)	–
At 31 March 2021 and 1 April 2021	**12,423**	**106**
Under-provision for the year	**2,562**	**–**
Reduction arising from payments	**(2,324)**	**–**
At 31 March 2022	**12,661**	**106**

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, the directors of the Company are of the opinion that adequate provision has been made in the consolidated financial statements to cover any potential liabilities arising from these litigations.

28. CONTRACT LIABILITIES

The movements (excluding those arising from increases and decreases both occurred within the same year) of contract liabilities from contracts with customers within HKFRS 15 during the years ended 31 March 2022 and 2021 are as follows:

	2022 **HK$'000**	2021 HK$'000
At the beginning of the reporting period	**7,422**	4,899
Receipt in advances	**3,678**	5,369
Recognised as revenue	**(5,130)**	(2,846)
At the end of the reporting period	**5,970**	7,422

Contract liabilities represented advances received from customers relating to publication of advertisements.

The Group applies the practical expedient and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

29. BORROWINGS

	2022 **HK$'000**	2021 HK$'000
Other loan	**7,053**	7,110

At 31 March 2022 and 2021, the other loan is denominated in AU$ and is made by a non-controlling shareholder of a subsidiary of the Company which is unsecured, and bears interest rate at 4% per annum and repayable on demand.

30. SHARE CAPITAL

	Number of shares	**HK$'000**
Issued and fully paid:		
At 1 April 2020, 31 March 2021, 1 April 2021 and 31 March 2022	2,397,917,898	1,413,964

31. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the consolidated financial statements, during the year ended 31 March 2022, the Group paid legal fees amounting to approximately HK$576,000 (2021: approximately HK$562,000) to Messrs. Iu, Lai & Li. Mr. Dominic LAI, a non-executive director of the Company, is a senior partner of Messrs. Iu, Lai & Li. The transaction prices were considered by the directors of the Company as estimated market price.

The directors of the Company are of the opinion that the key management personnel were solely the directors of the Company, details of whose emoluments are set out in Note 40(a) to the consolidated financial statements.

32. OPERATING LEASE ARRANGEMENTS

The Group leases its investment properties (including hotel property) under operating lease arrangements which run for an initial period of one to two years (2021: one to five years), with an option to renew the lease terms at the expiry date or at dates 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 rentals.

Below is a maturity analysis of undiscounted lease payments under non-cancellable operating leases in place at the end of each reporting date to be received by the Group in future periods as follows:

	2022	2021
	HK$'000	HK$'000
Within 1 year	**17,693**	30,048
More than 1 year but within 2 years	**274**	26,712
More than 2 years but within 3 years	**–**	8,731
More than 3 years but within 4 years	**–**	5,043
More than 4 years but within 5 years	**–**	1,875
	17,967	72,409

33. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following capital commitments:

	2022	2021
	HK$'000	HK$'000
Capital expenditure in respect of the acquisition of property, plant and equipment, contracted but not provided for	**91**	884

34. RETIREMENT BENEFIT SCHEME

Long service payments

Employees who have completed at least five years of services with the Group are entitled to a long service payment, which are calculated in accordance with the applicable laws in Hong Kong. For details of the provision and payment, refer to Note 27 to the consolidated financial statements.

Defined contribution scheme

The employees of the Group in Hong Kong were covered under the MPF Scheme which is a defined contribution retirement benefit scheme and the assets are managed by the trustee. The MPF Scheme is available to all employees aged from 18 to 65 and with at least 60 days of service under the employment of the Group in Hong Kong. Contributions are made by the Group at 5% of the staff's relevant income. The maximum relevant income of each staff for contribution purpose is HK$30,000 per month. Staff members are entitled to 100% of the Group's contributions plus the accrued returns irrespective of their length of service with the Group, but the benefits are required by law to be preserved until the retirement age of 65.

The retirement schemes which cover employees located in overseas are defined contribution schemes at various funding rates that are in accordance with the local practice and regulations.

During the year ended 31 March 2022, contributions to the defined contribution scheme amounted to approximately HK$12,958,000 (2021: approximately HK$14,979,000).

35. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurate with the level of risk.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristic of underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debts.

The Group monitors capital on the basis of net debt-to-adjusted capital ratio. At 31 March 2022, the Group's net debt-to-adjusted capital ratio was minimal (2021: minimal). For the purpose of calculating the net debt-to-adjusted capital ratio, the Group defines net debt as total liabilities excluding deferred tax liabilities less cash and cash equivalents, and adjusted capital as all components of equity excluding non-controlling interests.

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group does not have written financial risk management policies and guidelines. However, the directors of the Company meet periodically to analyse and formulate measures to manage the Group's exposure to credit risk, liquidity risk and market risk, including principally changes in interest rate risk and currency risk.

The Group is not actively engaged in the trading of financial assets for speculative purpose. The most significant financial risks to which the Group is exposed are described below. See also Note 36(f) to the consolidated financial statements for a summary of financial assets and liabilities by category.

(a) Currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Group mainly operates in Hong Kong and most of the Group's transactions are carried out in HK$. The Group is exposed to foreign currency risk on transaction that is in a currency other than the respective functional currency of the group entities. The currency giving rise to this risk is primarily AU$. Currently, the Group does not have foreign currency hedging policy but the management of the Group continuously monitors foreign exchange exposure and will consider hedging significant foreign currency exposure where appropriate.

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised monetary assets or liabilities denominated in a currency other than the functional currency of the group entities to which they relate.

	2022	2021
	HK$'000	HK$'000
AU$		
Cash and cash equivalents	**49,910**	18,248
Borrowings	**(7,053)**	(7,110)
	42,857	11,138

Sensitivity analysis

The following table indicates the approximate change in the Group's pre-tax profit in response to reasonably possible changes in the foreign exchange rate to which the Group's monetary assets and liabilities denominated in AU$.

	2022	2021
	HK$'000	HK$'000
AU$	**4,286**	1,114

The sensitivity analysis above has been determined assuming that the reasonably possible change in foreign exchange rate had occurred at the end of the reporting period and had been applied to each of the group entities' exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rate, remain constant.

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

(a) Currency risk *(Continued)*

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of next reporting period with reference to the historical trend of AU$ against HK$. 10% strengthening of AU$ against HK$ at the end of the reporting period would increase pre-tax profit by the amount shown above. 10% weakening of AU$ against HK$ would have had the equal but opposite effect on the above balances. The analysis is performed on the same basis for the year ended 31 March 2021. For currency risk exposure of US$, it is assumed that due to the pegged rate between the US$ and HK$, it would not be materially affected.

(b) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables, loans and interest receivables, other debtors and cash and cash equivalents. The Group's exposures to these credit risks are monitored on an ongoing basis.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

	2022	2021
	HK$'000	HK$'000
Classes of financial assets		
Trade receivables	**56,907**	70,447
Loans and interest receivables	**304,527**	292,238
Other debtors	**4,621**	2,689
Cash and cash equivalents	**633,593**	654,265
	999,648	1,019,639

The management of the Group monitors financial assets that are subject to impairment allowances to assess whether there has been a significant increase in credit risk since initial recognition.

Trade receivables

The Group's customer base consists of a wide range of customer and the trade receivables are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The management of the Group continuously monitors financial conditions of customers and other counterparties, and incorporates this information into its credit risk controls. Where available at reasonable cost, external reports on customers and other counterparties are obtained and used.

Monitoring procedures are in place to ensure that follow-up action is taken to recover overdue balances. In addition, the Group performs impairment assessment under ECL model on trade receivables. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

(b) Credit risk *(Continued)*

Trade receivables *(Continued)*

To measure the ECL, the historical loss rates are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers and other counterparties to settle the receivables.

	Within 1 year HK$'000	**Over 1 year HK$'000**	**Total HK$'000**
At 31 March 2022			
Gross carrying amount	**65,564**	**7,123**	**72,687**
Loss allowance for ECL	**9,584**	**6,196**	**15,780**
ECL rate	**14.62%**	**86.99%**	**21.71%**

	Within 1 year HK$'000	Over 1 year HK$'000	Total HK$'000
At 31 March 2021			
Gross carrying amount	71,920	4,644	76,564
Loss allowance for ECL	2,356	3,761	6,117
ECL rate	3.28%	80.99%	7.99%

Movements of loss allowance for ECL on trade receivables are summarised as follows:

	2022 HK$'000	2021 HK$'000
At the beginning of the reporting period	**6,117**	3,700
Loss allowance for ECL on trade receivables	**10,264**	2,331
Amounts written off as uncollectible	**(809)**	(46)
Exchange realignments	**208**	132
At the end of the reporting period	**15,780**	6,117

The subsistence COVID-19 in Australia and the Australian Government anti-pandemic measures have brought about additional uncertainties in the Group's operating environment and have impacted the Group's operations and financial position, which contributed to the increase in loss allowance during the year ended 31 March 2022.

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

(b) Credit risk *(Continued)*

The Group has a concentration of credit risk as approximately 15% (2021: approximately 16%) and approximately 32% (2021: approximately 32%) of the trade receivables was due from the Group's largest debtor and the five largest debtors, respectively, within the publication of newspapers segment at 31 March 2022.

Other debtors

The directors of the Company assessed the ECL on other debtors are not material as they do not have default history and the debtors have a strong capability to meet its contractual cash flow obligations in the near term.

Cash and cash equivalents

The directors of the Company assessed that the ECL on cash and cash equivalents are not material as bank balances are mainly placed with reputation banks which are all high-credit quality financial institutions.

Loans and interest receivables

The Group has a concentration of credit risk as approximately 64% (2021: approximately 30%) and approximately 100% (2021: approximately 98%) of the total loans and interest receivables was due from the Group's largest debtor and the five largest debtors, respectively, within the money lending business segment at 31 March 2022.

For the loans and interest receivables, prior to the lending of loan, the Group reviews the financial strength, purpose of the borrowing and repayment ability of the borrower to ensure that the borrower has sound financial repayment ability. The Group assesses the credit profiles of each individual borrower by analysing the factors that influence the default probability, including (but not limited to) the counterparty's financial profile, business prospects and management, macroeconomic development, industrial and sovereign risk, and historical performance. The Group also reviews from time to time the financial conditions of the borrowers and corresponding collaterals.

For all loans and interest receivables, the Group holds collateral against loans and interest receivables. All collaterals are Hong Kong properties pledged against the balances. Individual risk limits are set based on the value of collaterals provided by borrowers and internal ratings in accordance with the limits set by the Group. The utilisation of credit limits is regularly monitored.

The Group makes ECL estimates based on the collaterals against loan and interest receivables, borrowers' creditworthiness, the delinquencies or defaults in interest or principal payments, borrowers' business and the industry to which borrowers belong and local economic conditions.

The directors of the Company are of the opinion that no loss allowance for ECL is necessary for these balances as there has not been a significant change in credit risk and the respective overdue principals and interests were still fully secured by the fair values of collaterals at their respective estimated selling prices. The estimated market value (less cost of disposal) of the collaterals (property interests) are higher than the carrying amount of these receivables at the end of the reporting period. Accordingly, the ECLs of these balances are minimal.

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

(c) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk for changes in interest rates relates primarily to the Group's short-term bank deposits which generate interest income for the Group. The Group does not engage in derivative financial instruments to hedge its interest rate risk.

The following table details the interest rate profile of the Group's short-term bank deposits at the end of the reporting period.

	2022		2021	
	Interest rates	**HK$'000**	Interest rates	HK$'000
Short-term bank deposits	**0.03% to 0.53% per annum**	**353,981**	0.08% to 2.06% per annum	459,738

Sensitivity analysis

At 31 March 2022, it was estimated that a general increase/decrease of 10 basis points (2021: 10 basis points) in interest rates, with all other variables held constant, would increase/decrease the Group's pre-tax profit by approximately HK$354,000 (2021: approximately HK$460,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for financial instruments at the end of the reporting period. The 10 basis points increase or decrease represents the management's assessment of reasonably possible change in interest rates over the period until the end of next reporting period. The analysis is performed on the same basis for the year ended 31 March 2021.

(d) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligation associated with its financial liabilities that are settled by delivering cash or other financial assets.

The Group is exposed to liquidity risk in respect of settlement of trade payables and its financing obligations, and also in respect of its cash flow management. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank and other borrowings.

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

(d) Liquidity risk *(Continued)*

The maturity profile of the Group's financial liabilities at the end of the reporting period, based on the contractual undiscounted amounts, is as follows:

	Total carrying amount HK$'000	Total contractual undiscounted cash flows HK$'000	Within 1 year or on demand HK$'000
At 31 March 2022			
Trade payables	**20,974**	**20,974**	**20,974**
Other creditors and accruals	**45,029**	**45,029**	**45,029**
Borrowings	**7,053**	**7,053**	**7,053**
	73,056	**73,056**	**73,056**
At 31 March 2021			
Trade payables	13,052	13,052	13,052
Other creditors and accruals	41,661	41,661	41,661
Borrowings	7,110	7,110	7,110
	61,823	61,823	61,823

(e) Fair value measurements

Financial value hierarchy

The fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 "Fair Value Measurement". The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 (lowest level): unobservable inputs for the asset or liability.

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

(e) Fair value measurements *(Continued)*

Fair value of financial asset that is measured at fair value on a recurring basis

The Group's financial asset at FVTPL is measured at fair value at the end of each reporting period. The information about how the fair value of the financial assets at FVTPL are determined are set out in Note 18 to the consolidated financial statements.

During the years ended 31 March 2022 and 2021, there was no transfer of fair value measurements between Level 1 and Level 2, or transfer into or out of Level 3.

Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial assets and liabilities carried at amortised cost were not materially different from their fair values at 31 March 2022 and 2021.

(f) Summary of financial assets and liabilities by category

The carrying amounts of the Group's financial assets and liabilities as recognised at the end of the reporting period are categorised as follows:

At 31 March 2022

Financial assets	Financial asset at FVTPL HK$'000	Financial assets at amortised cost HK$'000	Total HK$'000
Financial asset at FVTPL	8,820	–	8,820
Trade receivables	–	56,907	56,907
Loans and interest receivables	–	304,527	304,527
Other debtors	–	4,621	4,621
Cash and cash equivalents	–	633,593	633,593
	8,820	999,648	1,008,468

Financial liabilities	At amortised cost HK$'000
Trade payables	20,974
Other creditors and accruals	45,029
Borrowings	7,053
	73,056

36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS *(Continued)*

(f) Summary of financial assets and liabilities by category *(Continued)*

At 31 March 2021

Financial assets	Financial asset at FVTPL HK$'000	Financial assets at amortised cost HK$'000	Total HK$'000
Financial asset at FVTPL	8,817	–	8,817
Trade receivables	–	70,447	70,447
Loans and interest receivables	–	292,238	292,238
Other debtors	–	2,689	2,689
Cash and cash equivalents	–	654,265	654,265
	8,817	1,019,639	1,028,456

Financial liabilities	At amortised cost HK$'000
Trade payables	13,052
Other creditors and accruals	41,661
Borrowings	7,110
	61,823

37. PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries at 31 March 2022 and 2021 are as follows:

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid-up capital	Percentage of ownership interest		Principal activity
			Direct	Indirect	
Don Bon Property Limited	Hong Kong	HK$1	–	100%	Investing holding
Long Universal Catering Limited *(formerly known as Long Universal Limited)*	Hong Kong	HK$1	100%	–	Canteen operation
Lucky Million Vehicles Limited *(formerly known as Lucky Million Limited)*	Hong Kong	HK$1	100%	–	Transportation service
On.cc Limited	Hong Kong	HK$2	–	100%	Website service provider
Oriental Daily News Limited	Hong Kong	HK$100	–	100%	Advertising agent
Oriental Daily Publisher Limited	Hong Kong	HK$100	–	100%	Newspapers publication
Oriental FA Limited	Hong Kong	HK$100	100%	–	Money lending
Oriental Finance Treasury Limited *(formerly known as OPG Finance Limited)*	Hong Kong	HK$2	100%	–	Treasury company
Oriental Human Resources Limited *(formerly known as OPG Human Resources Limited)*	Hong Kong	HK$2	100%	–	Human resources services
Oriental Media Centre Limited *(formerly known as Oriental Press Centre Limited)*	Hong Kong	HK$100	100%	–	Property holding
Oriental Printing Limited *(formerly known as OPG Printing Limited)*	Hong Kong	HK$100	–	100%	Printing services
Oriental Publications Limited	Hong Kong	HK$100	–	100%	Publication services
Safety Corporation Limited	Hong Kong	HK$10	–	100%	Property investment
Win Magazine Publisher Limited	Hong Kong	HK$1	–	100%	Printing of magazines
ORO Group Pty Limited	Australia	AU$8,500,000	–	100%	Property investment
Pacific Resort Holding Pty Limited	Australia	AU$3,150,000	–	90%	Hotel property investment

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results of the reporting period or formed a substantial portion of the assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had any debt securities subsisting at the end of the reporting period or at any time during the reporting period.

38. STATEMENT OF THE FINANCIAL POSITION OF THE COMPANY

	Note	2022 HK$'000	2021 HK$'000
Non-current assets			
Property, plant and equipment		**1,962**	2,767
Financial asset at FVTPL		**8,820**	8,817
Investments in subsidiaries		**1**	1
		10,783	11,585
Current assets			
Other debtors, deposits and prepayments		**464**	298
Amounts due from subsidiaries		**1,642,345**	1,795,953
Taxation recoverable		**101**	85
Cash and cash equivalents		**2,435**	2,069
		1,645,345	1,798,405
Current liabilities			
Other creditors, accruals and deposits received		**2,433**	2,397
Net current assets		**1,642,912**	1,796,008
Total assets less current liabilities		**1,653,695**	1,807,593
Non-current liabilities			
Deferred tax liabilities		**211**	277
Net assets		**1,653,484**	1,807,316
CAPITAL AND RESERVES			
Share capital	30	**1,413,964**	1,413,964
Reserves	39	**239,520**	393,352
Total equity		**1,653,484**	1,807,316

The statement of financial position was approved and authorised for issue by the Board of Directors on 24 June 2022 and signed on its behalf by

Ching-fat MA
Director

King-ho MA
Director

39. RESERVES OF THE COMPANY

	Retained profits HK$'000
At 1 April 2020	174,326
2021 interim dividend paid	(47,958)
Profit and total comprehensive income for the year	266,984
At 31 March 2021 and 1 April 2021	393,352
2021 final dividend paid	**(47,958)**
2021 special dividend paid	**(119,896)**
2022 interim dividend paid	**(71,938)**
Profit and total comprehensive income for the year	**85,960**
At 31 March 2022	**239,520**

40. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

Directors' emoluments for the years ended 31 March 2022 and 2021, disclosed pursuant to the applicable Listing Rules and the Companies Ordinance, are as follows:

	Fees	Salaries and allowances	Discretionary bonus	Contribution to defined contribution plan	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Year ended 31 March 2022					
Executive directors					
Mr. Ching-fat MA	–	18,000	1,500	18	19,518
Mr. King-ho MA*	–	14,400	1,200	18	15,618
Mr. Shun-chuen MA	–	2,522	210	–	2,732
Non-executive director					
Mr. Dominic LAI	155	–	–	–	155
Independent non-executive directors					
Mr. Yau-nam CHAM	145	–	–	–	145
Mr. Ping-wong PAO	175	–	–	–	175
Mr. Yat-fai LAM	190	–	–	–	190
	665	34,922	2,910	36	38,533
Year ended 31 March 2021					
Executive directors					
Mr. Ching-fat MA	–	18,000	1,500	18	19,518
Mr. Ching-choi MA*	–	14,400	1,200	18	15,618
Mr. Shun-chuen MA	–	2,522	210	–	2,732
Non-executive director					
Mr. Dominic LAI	150	–	–	–	150
Independent non-executive directors					
Mr. Yau-nam CHAM	140	–	–	–	140
Mr. Ping-wong PAO	175	–	–	–	175
Mr. Yat-fai LAM	185	–	–	–	185
	650	34,922	2,910	36	38,518

* During the year ended 31 March 2022, Mr. Ching-choi MA changed his name to Mr. King-ho MA.

40. BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(a) Directors' emoluments *(Continued)*

The directors' emoluments disclosed above are mainly for their services in connection with the management of the affairs of the Company and the Group.

The directors' emoluments are determined with reference to their duties and responsibilities with the Company, the Company's current standards for emoluments and the market conditions.

There was no arrangement under which a director of the Company waived or agreed to waive any emoluments during the years ended 31 March 2022 and 2021.

During the years ended 31 March 2022 and 2021, no emoluments had been paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as a compensation for loss of office.

(b) Directors' material interests in transactions, arrangements or contracts

Except from disclosed in Note 25 and Note 31 to the consolidated financial statements, the directors of the Company are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company, or connected entity of the directors of the Company, had a material interest, whether directly or indirectly, subsisted at the end of the year ended 31 March 2022 or at any time during the years ended 31 March 2022 and 2021.

(c) Loans, quasi-loans and other dealings in favour of directors

There are no loans, quasi-loans or other dealings in favour of the directors of the Company that were entered into or subsisted during the years ended 31 March 2022 and 2021.

41. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Other loan
	HK$'000
At 1 April 2020	5,717
Changes from cash flows:	
Interest paid	(269)
Non-cash changes:	
Interest expenses	269
Foreign exchange translation	1,393
	1,662
At 31 March 2021 and 1 April 2021	7,110
Changes from cash flows:	
Interest paid	(276)
Non-cash changes:	
Interest expenses	276
Foreign exchange translation	(57)
	219
At 31 March 2022	7,053

(b) Total cash outflow for leases of low-value assets included in consolidated statement of cash flows within operating activities amounted to approximately HK$1,729,000 (2021: approximately HK$2,244,000).

(c) The Group transferred deposit paid of approximately HK$379,000 in respect of additions to property, plant and equipment during the year ended 31 March 2022.

42. EVENT AFTER REPORTING PERIOD

On 21 January 2022, the Group entered into three sale and purchase agreements with 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. 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 Disposal was completed on 23 June 2022.

Five Years Financial Summary

	For the year ended 31 March				
	2018	2019	2020	2021	**2022**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
	(Restated)				
Revenue	979,905	901,715	823,014	699,619	**735,782**
Profit/(Loss) attributable to owners of the Company	158,134	81,388	(10,987)	211,238	**166,744**
Total assets	2,634,158	1,982,339	1,897,097	2,082,411	**2,057,888**
Total liabilities	(167,531)	(156,818)	(148,402)	(143,956)	**(193,833)**
Non-controlling interests	(7,306)	(6,508)	(5,103)	(7,933)	**(8,592)**
Equity attributable to owners of the Company	2,459,321	1,819,013	1,743,592	1,930,522	**1,855,463**

Schedule of Major Properties

Details of the Group's major properties as at 31 March 2022 are as follows:

LAND AND BUILDINGS

Location	Approximate floor area	Category	Lease term	Group interest	Existing use
Oriental Press Centre 23 Dai Cheong Street Tai Po Industrial Estate Tai Po Hong Kong	490,000 Sq ft	Industrial	Medium-term	100%	Own use
Units 1 to 5 on 22 Floor Island Place Tower Island Place No. 510 King's Road North Point Hong Kong	9,280 Sq ft	Commercial	Medium-term	100%	Investment property
Unit 6 on 22 Floor Island Place Tower Island Place No. 510 King's Road North Point Hong Kong	5,166 Sq ft	Commercial	Medium-term	100%	Own use
Metro Aspire Hotel 383 Bulwara Road Ultimo 2007 Sydney Australia	31,000 Sq ft	Commercial	Freehold	90%	Operating hotel business by licensee
2 Short Street Double Bay NSW Australia	6,600 Sq ft	Commercial	Freehold	100%	Investment property classified as held for sale
29, 31 & 33 Bay Street Double Bay NSW Australia	4,800 Sq ft	Commercial	Freehold	100%	Investment property classified as held for sale
35, 37 & 39 Bay Street Double Bay NSW Australia	8,000 Sq ft	Commercial	Freehold	100%	Investment property classified as held for sale