

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



東方企控集團有限公司

ORIENTAL ENTERPRISE HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 18)

**INTERIM RESULTS ANNOUNCEMENT FOR
THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

The board (the “Board”) of directors (the “Director(s)”) of Oriental Enterprise Holdings Limited (the “Company”) announces that the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2021 (the “Reporting Period”), together with the comparative figures for the corresponding period of the previous year, are as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

		Six months ended	
		30.9.2021	30.9.2020
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$'000	HK\$'000
Revenue	4	370,323	336,741
Other income	4	14,765	46,037
Raw materials and consumables used		(31,692)	(32,962)
Staff costs including directors’ emoluments		(199,114)	(227,264)
Depreciation of property, plant and equipment		(16,828)	(16,840)
Other operating expenses		(47,940)	(45,082)
Net exchange gain		133	28,262
Net gain on disposal and write-off of property, plant and equipment		572	97
Profit from operations	6	90,219	88,989
Finance costs		(140)	(128)
Profit before tax		90,079	88,861
Income tax expense	7	(19,330)	(1,510)
Profit for the period		70,749	87,351
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
- Exchange (loss)/gain on translation of financial statements of foreign operations		(17,919)	15,800
Other comprehensive income for the period, net of tax		(17,919)	15,800
Total comprehensive income for the period		52,830	103,151

		Six months ended	
		30.9.2021	30.9.2020
		(Unaudited)	(Unaudited)
	<i>Note</i>	HK\$'000	HK\$'000
Profit for the period attributable to:			
Owners of the Company		70,515	87,323
Non-controlling interests		234	28
		70,749	87,351
Total comprehensive income for the period attributable to:			
Owners of the Company		53,410	102,345
Non-controlling interests		(580)	806
		52,830	103,151
Earnings per share			
- Basic	9	HK2.94 cents	HK3.64 cents
- Diluted		HK2.94 cents	HK3.64 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2021

	<i>Notes</i>	30.9.2021 (Unaudited) HK\$'000	31.3.2021 (Audited) HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	<i>10</i>	454,952	465,228
Investment properties	<i>11</i>	471,940	489,998
Leasehold land		20,088	20,480
Financial asset at fair value through profit or loss		8,817	8,817
Loans and interest receivables	<i>12</i>	2,845	5,021
Deferred tax assets		4,202	4,653
		962,844	994,197
Current assets			
Inventories		53,877	50,474
Trade receivables	<i>13</i>	71,302	70,447
Loans and interest receivables	<i>12</i>	302,657	287,217
Other debtors, deposits and prepayments		15,422	14,526
Taxation recoverable		6,420	11,285
Cash and cash equivalents		605,278	654,265
		1,054,956	1,088,214
Current liabilities			
Trade payables	<i>14</i>	11,589	13,052
Other creditors, accruals and deposits received		75,973	47,056
Contract liabilities		8,668	7,422
Taxation payable		19,505	406
Borrowings		7,962	7,110
		123,697	75,046
Net current assets		931,259	1,013,168
Total assets less current liabilities		1,894,103	2,007,365
Non-current liabilities			
Deferred tax liabilities		70,672	68,910
Net assets		1,823,431	1,938,455
EQUITY			
Equity attributable to owners of the Company			
Share capital	<i>15</i>	1,413,964	1,413,964
Reserves		402,114	516,558
		1,816,078	1,930,522
Non-controlling interests		7,353	7,933
Total equity		1,823,431	1,938,455

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

	Equity attributable to owners of the Company						Total equity HK\$'000
	Share capital HK\$'000	Exchange reserve HK\$'000 <i>(Note)</i>	Properties revaluation reserve HK\$'000 <i>(Note)</i>	Retained profits HK\$'000 <i>(Note)</i>	Total HK\$'000	Non-controlling interests HK\$'000	
At 1 April 2020 (audited)	1,413,964	(3,468)	9,700	323,396	1,743,592	5,103	1,748,695
Profit for the period	-	-	-	87,323	87,323	28	87,351
Other comprehensive income for the period							
- Exchange gain on translation of financial statements of foreign operations	-	15,022	-	-	15,022	778	15,800
Total comprehensive income for the period	-	15,022	-	87,323	102,345	806	103,151
At 30 September 2020 (unaudited)	1,413,964	11,554	9,700	410,719	1,845,937	5,909	1,851,846
At 1 April 2021 (audited)	1,413,964	20,182	9,700	486,676	1,930,522	7,933	1,938,455
2021 final and special dividends paid (Note 8)	-	-	-	(167,854)	(167,854)	-	(167,854)
Transactions with owners of the Company	-	-	-	(167,854)	(167,854)	-	(167,854)
Profit for the period	-	-	-	70,515	70,515	234	70,749
Other comprehensive income for the period							
- Exchange loss on translation of financial statements of foreign operations	-	(17,105)	-	-	(17,105)	(814)	(17,919)
Total comprehensive income for the period	-	(17,105)	-	70,515	53,410	(580)	52,830
At 30 September 2021 (unaudited)	1,413,964	3,077	9,700	389,337	1,816,078	7,353	1,823,431

Note: These reserve accounts comprise of the consolidated reserves of HK\$402,114,000 (six months ended 30 September 2020: HK\$431,973,000) in the condensed consolidated statement of financial position of the Group.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

1. BASIS OF PREPARATION

The financial information relating to the year ended 31 March 2021 that is included in the interim condensed consolidated financial statements for the Reporting Period as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to the statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 March 2021 to the Registrar of Companies as required by section 622(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

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

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

These interim condensed consolidated financial statements should be read in conjunction with the Group's audited financial statements for the year ended 31 March 2021.

These interim condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values, as appropriate.

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

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies applied in the condensed consolidated interim financial information for the Reporting Period are consistent with those adopted in the consolidated financial statements for the year ended 31 March 2021, except for the adoption of new and amended standards as set out below.

New and amended standards adopted by the Group

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

HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 (Amendment)	Interest Rate Benchmark Reform - Phase 2
HKFRS 16 (Amendment)	Covid-19-Related Rent Concessions

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

3. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 March 2021.

Only club membership and investment properties carried at fair value were categorised as level 2 and level 3 of the fair value of hierarchy respectively. There were no addition or disposal of these assets during the period. There were also no changes in the valuation techniques applied as of 31 March 2021.

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

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

4. REVENUE

Revenue recognised during the period are as follows:

	Six months ended	
	30.9.2021	30.9.2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue from contracts with customers recognised at a point in time:		
Publication of newspaper and advertising income	271,281	259,474
Internet subscription and advertising income	67,227	58,334
Income from restaurant operation	2,837	3,235
Revenue from other sources:		
Interest earned on loan receivables	15,416	9,082
License fee income from hotel property held as investment properties	6,073	697
Rental income from investment properties	7,485	5,919
	370,323	336,741
Key other income are as follows:		
Other income from contracts with customers recognised at a point in time:		
Sale of scrap materials	934	660
Other service income	7,304	3,018
Other income from contracts with customers recognised over time:		
Other service income	5,382	5,963
Other income from other sources:		
Interest earned on bank balance and short-term deposits	404	3,641
Government grants (Note)	-	31,713

Note: In the last reporting period, HK\$30,688,000 of the government grant is the funding support from the Employment Support Scheme (“ESS”) under the Anti-epidemic Fund, 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.

In the last reporting period, HK\$1,025,000 of the government grant is the funding support from Job Keeper Payment (“JKP”) scheme and Temporary Cashflow Boost (“TCB”) administered by the Australian Taxation Office (“ATO”). The purpose of the JKP and TCB are to support businesses affected by COVID-19 and to help keep more Australians in jobs.

There is no government grant received during the Reporting Period.

5. SEGMENT INFORMATION

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

Reportable segment revenue represented turnover of the Group in the condensed consolidated statement of profit or loss and other comprehensive income. Segment profit or loss represents the profit or loss from each segment without allocation of directors' emoluments, government grants, net exchange gain or loss, bank interest income, sundry income and finance costs.

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

	Publication of newspaper		Money lending business		All other segments		Total	
	Six months ended		Six months ended		Six months ended		Six months ended	
	30.09.2021 (Unaudited) HK\$'000	30.09.2020 (Unaudited) HK\$'000	30.09.2021 (Unaudited) HK\$'000	30.09.2020 (Unaudited) HK\$'000	30.09.2021 (Unaudited) HK\$'000	30.09.2020 (Unaudited) HK\$'000	30.09.2021 (Unaudited) HK\$'000	30.09.2020 (Unaudited) HK\$'000
Reportable segment revenue from external customers	338,555	317,808	15,373	9,082	16,395	9,851	370,323	336,741
Reportable segment profit/(loss)	79,823	34,648	14,009	6,549	4,705	(2,725)	98,537	38,472
Government grants	-	30,116	-	-	-	1,597	-	31,713
Unallocated corporate income							10,379	11,051
Unallocated net exchange gain							133	28,262
Unallocated corporate expenses							(18,970)	(20,637)
Profit before tax							90,079	88,861
<i>Other information</i>								
Depreciation and amortisation	(14,615)	(16,515)	-	-	(2,213)	(719)	(16,828)	(17,234)
Additions to property, plant and equipment during the period	6,225	1,233	-	-	58	279	6,283	1,512

5. SEGMENT INFORMATION (Continued)

Reportable segment assets and liabilities

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

	Publication of newspaper		Money lending business		All other segments		Total	
	30.9.2021	31.3.2021	30.9.2021	31.3.2021	30.9.2021	31.3.2021	30.9.2021	31.3.2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
ASSETS								
Segment assets	480,502	518,509	313,458	293,529	609,745	607,291	1,403,705	1,419,329
Unallocated financial asset at fair value through profit or loss							8,817	8,817
Cash and cash equivalents							605,278	654,265
Consolidated total assets							2,017,800	2,082,411
LIABILITIES								
Segment liabilities	151,777	104,155	1,453	120	41,139	39,681	194,369	143,956

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

	Revenue from external customers		Non-current assets	
	Six months ended	Six months ended	Six months ended	Six months ended
	30.9.2021	30.9.2020	30.9.2021	31.3.2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	358,599	331,961	599,485	611,978
Australia	11,724	4,780	350,340	368,749
	370,323	336,741	949,825	980,727

The geographical location of customers is determined based on the location in which the services were provided or the goods delivered. The geographical location of the non-current assets (other than the financial asset at fair value through profit or loss and deferred tax assets) is determined based on the physical location of the assets. For the purpose of presenting geographical location of the Group's revenue from external customers and the Group's non-current assets (other than the financial asset at fair value through profit or loss and deferred tax assets), the location is determined by reference to the place where the majority business activities of the Company's subsidiaries operate.

During the Reporting Period, HK\$184,300,000 (six months ended 30 September 2020: HK\$181,258,000) out of the Group's revenue of HK\$370,323,000 (six months ended 30 September 2020: HK\$336,741,000) was contributed by two (six months ended 30 September 2020: two) customers. No other single customer contributed 10% or more to the Group's revenue for both periods in 2021 and 2020.

6. PROFIT FROM OPERATIONS

	Six months ended	
	30.9.2021 (Unaudited) HK\$'000	30.9.2020 (Unaudited) HK\$'000
Profit from operations is arrived at after charging/(crediting):		
Amortisation of leasehold land*	394	394
Government rent and rates*	1,647	2,061
Land tax expenses*	1,825	2,024
Lease charges for lease of low-value assets*	1,167	1,251
Loss allowance for expected credit loss on trade receivables*	323	1,021
Repair and maintenance*	4,610	5,151
Water and electricity*	7,472	8,344
Rental income from investment properties (excluding hotel property) [#]	(7,485)	(5,919)
Less: Direct operating expenses from investment properties that generated rental income during the period*	515	460
Direct operating expenses from investment properties that did not generate rental income during the period*	-	280
Rental income from investment properties (excluding hotel property) less direct operating expenses	<u>(6,970)</u>	<u>(5,179)</u>

* recorded as other operating expenses

[#] recorded as revenue

7. INCOME TAX EXPENSE

Hong Kong profits tax is calculated at the rate of 16.5% (six months ended 30 September 2020: 16.5%) on the estimated assessable profits for the period, except for the first HK\$2,000,000 of a qualified entity's assessable profit which is calculated at 8.25%, in accordance with the two-tiered tax rate regime with effect from the year of assessment 2018/2019. The two tiered profits tax rates regime is applicable to one entity within the Group for the Reporting Period and six months ended 30 September 2020.

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

	Six months ended	
	30.9.2021 (Unaudited) HK\$'000	30.9.2020 (Unaudited) HK\$'000
Current tax:		
- Hong Kong Profits Tax	15,301	5,570
- Overseas Income Tax	439	-
	<u>15,740</u>	<u>5,570</u>
Under provision in prior period:		
- Overseas Income Tax	-	19
Deferred tax:		
- Current period	3,590	(4,079)
Income tax expense	<u>19,330</u>	<u>1,510</u>

8. DIVIDENDS

During the Reporting Period, a final dividend of HK2 cents per share (2020: Nil) and a special dividend of HK5 cents per share (2020: Nil) in respect of the year ended 31 March 2021 was declared and paid to the shareholders of the Company (the "Shareholder(s)"). The aggregate of the final dividend and special dividend declared and paid in the Reporting Period amounts to HK\$167,854,000 (2020: Nil).

Subsequent to the end of the Reporting Period, the Directors have declared that an interim dividend of HK3 cents (six months ended 30 September 2020: HK2 cents) per share will be paid to the Shareholders whose names appear on the register of members of the Company on 10 December 2021.

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of HK\$70,515,000 (six months ended 30 September 2020: HK\$87,323,000) and on 2,397,917,898 (six months ended 30 September 2020: 2,397,917,898) ordinary shares during the Reporting Period.

For the Reporting Period and six months ended 30 September 2020, diluted earnings per share was the same as the basic earnings per share as there was no dilutive shares for both periods.

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the Reporting Period, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of HK\$9,000 (six months ended 30 September 2020: HK\$5,000) for sale proceeds of HK\$581,000 (six months ended 30 September 2020: HK\$102,000), resulting in a gain on disposal of HK\$572,000 (six months ended 30 September 2020: HK\$97,000).

In addition, during the Reporting Period, the Group acquired property, plant and equipment of HK\$6,283,000 (six months ended 30 September 2020: HK\$1,512,000).

11. MOVEMENTS IN INVESTMENT PROPERTIES

No addition (six months ended 30 September 2020: Nil) of investment properties were made during the Reporting Period.

At the end of the Reporting Period, the Group's investment properties were valued by the Directors with reference to market evidence of transaction prices for similar properties. There was no revaluation surplus or deficit arising from the revaluation of the investment properties during the Reporting Period (six months ended 30 September 2020: Nil). The movements of the carrying amounts represented the exchange difference arose from properties and hotel property in Australia.

12. LOANS AND INTEREST RECEIVABLES

	30.9.2021 (Unaudited) HK\$'000	31.3.2021 (Audited) HK\$'000
Analysed as:		
Current	302,657	287,217
Non-current	2,845	5,021
	305,502	292,238

12. LOANS AND INTEREST RECEIVABLES (Continued)

The Group maintains strict control over its loans granting and outstanding loan receivables to minimise credit risk. These loans (including staff property mortgage loans) are approved and monitored by the Group's management, whilst overdue balances are reviewed regularly for recoverability. Loan receivables bear interest at rates ranging from 1.6% per annum to 11.52% per annum (31 March 2021: 1.6% per annum to 21.96% per annum), as mutually agreed between the contracting parties.

As at 30 September 2021, all loan receivables were secured by real estate properties in Hong Kong. Secured loans receivables have maturity date ranging from 1 year to 16 years (31 March 2021: 1 year to 17 years). The amounts of principal will be receivable either on respective maturity dates or by monthly instalments.

As at 31 March 2021, included in the loan and interests receivables are balances of HK\$12,512,000 which has been past due. The collateral has been auctioned in the Reporting Period. All outstanding loan and interest receivable amounts have been received.

The loan receivables have been reviewed by the Directors to assess expected credit loss ("ECL") which are based on collaterals against loans receivables, borrowers' creditworthiness, delinquency or default in interest or principal payments, borrowers' business and the industry to which borrowers belong and local economic conditions. The Directors are of the opinion that no loss allowance for ECL is necessary for the loan and interest receivables balances as there has not been a significant change in credit risk and the fair value of the collaterals is higher than the carrying amount of these receivables at the end of the Reporting Period. Accordingly, taking into account fair value of the collaterals, the Directors considered that no allowance for ECL was necessary as at 30 September 2021 (31 March 2021: Nil).

13. TRADE RECEIVABLES

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

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

	30.9.2021 (Unaudited) HK\$'000	31.3.2021 (Audited) HK\$'000
0 – 60 days	34,769	32,435
61 – 90 days	21,391	11,318
Over 90 days	15,142	26,694
	71,302	70,447

14. TRADE PAYABLES

The credit period granted by the Group's suppliers ranges from 30 to 90 days. Based on the invoice dates, the aging analysis of trade payables at the end of the Reporting Period is as follows:

	30.9.2021 (Unaudited) HK\$'000	31.3.2021 (Audited) HK\$'000
0 – 60 days	10,015	11,453
61 – 90 days	122	218
Over 90 days	1,452	1,381
	11,589	13,052

15. SHARE CAPITAL

	Number of shares	HK\$'000
Issued and fully paid:		
At 1 April 2020, 31 March 2021, 1 April 2021 and 30 September 2021, ordinary shares with no par value	2,397,917,898	1,413,964

16. LEASE ARRANGEMENTS

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

	30.9.2021 (Unaudited) HK\$'000	31.3.2021 (Audited) HK\$'000
Within 1 year	26,425	30,048
Between 1 and 2 years	17,399	26,712
Between 2 and 3 years	6,651	8,731
Between 3 and 4 years	3,595	5,043
Between 4 and 5 years	-	1,875
Later than 5 year	-	-
	54,070	72,409

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

17. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these condensed consolidated financial statements, during the period, the Group paid legal fees amounting to HK\$445,000 (six months ended 30 September 2020: HK\$449,000) to Messrs. Iu, Lai & Li. Mr. Dominic LAI, a non-executive Director, is a senior partner of Messrs. Iu, Lai & Li. The transaction prices were considered by the Directors to be at estimated market price.

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

	30.9.2021 (Unaudited) HK\$'000	30.9.2020 (Unaudited) HK\$'000
Salary and short-time benefit	17,460	17,463
Post-employment benefit	18	18

18. OUTSTANDING LITIGATIONS

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

19. EVENT AFTER REPORTING PERIOD

The COVID-19 outbreak and the recent 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.

20. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements were approved by the Board on 19 November 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

For the six months ended 30 September 2021, the revenue of Oriental Enterprise Holdings Limited and its subsidiaries amounted to HK\$370,323,000, representing an increase of HK\$33,582,000 or 10% as compared with the same period of last year. The unaudited consolidated profit attributable to owners of the Company amounted to HK\$70,515,000, representing a decrease of HK\$16,808,000 or 19% as compared with the same period of last year. The main reasons for the decrease in profit were that no government support subsidies were granted during the Reporting Period and the decrease in exchange gain; however, if excluding these two factors, the Group's profit attributable to owners of the Company for the period would be HK\$70,382,000, an increase of HK\$43,034,000 or 157% as compared with the same period of last year.

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 September 2021, the Group's net current assets amounted to HK\$931,259,000 (31 March 2021: HK\$1,013,168,000), which includes time deposits, bank balances and cash amounting to HK\$605,278,000 (31 March 2021: HK\$654,265,000). As at 30 September 2021, the Group's gearing ratio, measured on the basis of total borrowings as a percentage of total shareholders' equity, was 0.4% (31 March 2021: 0.4%).

CAPITAL EXPENDITURE

During the Reporting Period, the Group's capital expenditure was HK\$6,283,000 (six months ended 30 September 2020: HK\$1,512,000).

CONTINGENT LIABILITY

As at 30 September 2021, the Group had no material contingent liability.

DIVIDENDS

The Directors recommend an interim dividend of HK3 cents (2020: HK2 cents) per share of the Company (the "Share(s)") for the Reporting Period, payable to the Shareholders whose names appear on the register of members of the Company on Friday, 10 December 2021. The proposed interim dividend will be payable on or around Tuesday, 21 December 2021.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 9 December 2021 to Friday, 10 December 2021 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for the interim dividend, all transfers accompanied with the relevant Share certificates must be deposited with the Company's Share Registrar, Tricor Friendly Limited, whose address is Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 8 December 2021.

BUSINESS REVIEW

"**Oriental Daily News**" continues to be the best-selling and most widely-read paid newspaper in Hong Kong, and has so remained for the last 45 consecutive years. It is truly "The Paper for Hong Kong". "Oriental Daily News" has been standing with Hong Kong people through thick and thin for half a century, never ever give up. According to a survey conducted by well-known IT market research company Aristo from 10 to 26 May 2021, "Oriental Daily News" led the market with a readership of as high as 3,090,368. During the Reporting Period, the newspaper recorded a slight increase in sales volume from the comparative period of last year. Adhering to its belief in precision, timeliness and accuracy, our professional team worked hard in return of readers' support. As the COVID-19 pandemic has been brought under control in Hong Kong recently, improved consumer spending has driven the advertising revenue of "Oriental Daily News". Proper cost control has also played a part, making the print media the most profitable segment of the Group.

“on.cc” continued to be a leading news portal in Hong Kong. During the Reporting Period, the website completed three major reforms. Firstly, a “search” function was introduced to facilitate news and information search for website and mobile users within “Oriental Daily News” and “on.cc”. Secondly, an iPad version was launched to boost views and expanding into the app market. Last but not the least, entertainment/leisure section “Fun&Star” (續 FUN 星網) was revamped to become more informative and attractive to young viewers.

“onCH”, providing a variety of news clips around the clock, saw the number of cross-platform views as high as 15 million in a single month. It is indeed a bellwether for local news streaming platforms. High-definition live news and sports events broadcast have become signature productions of “onCH”. There are also hilarious satirical clips going viral among netizens. In a first-of-a-kind move in the industry, “onCH” enhanced its functions by launching “chapters” during the Reporting Period, so that users can select different “chapters” in a video. The new launch was generally well received.

“Money18”, a free real-time quote website designated by the HKEX, recorded up to 260 million monthly page views on its website and mobile app. The number of downloads of the app exceeded 2.35 million, whereas the rising count of followers on its Facebook page had passed the 140,000 mark, making it one of the most popular industry and economic information platforms in Hong Kong. “Money 18” revamped its layout during the Reporting Period; now users can switch between the zoom-in 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 Period, the Company changed its name to Oriental Enterprise Holdings Limited, together with a new logo, which indicates a new milestone for the Group. Through restructuring, the Group rationalised the investment and development of three main segments, namely the media business under Oriental Media Corporation, the property investment and management business under Oriental Venture Enterprise Corporation (“Oriental Venture”), and the money lending and mortgage business under Oriental FA Limited (“Oriental FA”), striving to expand sources of income through diversification and a clear delineation of functions in the Group.

Over the past six months, the pandemic has in Hong Kong gradually subsided. With consumption vouchers disbursed by the government, the public spent freely and our advertising clients took this opportunity to increase publicity. All these drove up the advertising revenue of the Group. During the Reporting Period, the revenue of “Oriental Daily News” from publications and advertising increased 5% year-on-year or HK\$11,811,000. Likewise, “on.cc” benefited from the economic recovery and saw a satisfactory year-on-year growth of 15% or HK\$8,878,000 in advertising revenue. The management maintained its stringent control on operating costs. Through restructuring, staff costs were cut by HK\$28,150,000 or 12% compared with the same period last year. During the Reporting Period, the newsprint price also decreased compared with the same period last year. As a result, production costs decreased by HK\$1,270,000 or 4%.

Despite the pandemic which is still not fully under control, the Group’s property investment business was not affected. The leasing of commercial properties remained stable. The rental income from Hong Kong properties held by the Group stayed at HK\$1,834,000, similar to that in the same period last year. The valuation of these properties remained unchanged. The income from investment properties in Australia amounted to HK\$11,724,000, an increase of HK\$6,944,000 or 145% compared with the same period last year. It was mainly attributable to the shortened period of rent concession and deferral rental payment during the Reporting Period and the rise in Australian dollar compared with the same period last year. In addition, the valuation of investment properties in Australia was not compromised by the pandemic, so no provision for impairment was needed.

The money lending and mortgage business delivered in line with expectations. During the Reporting Period, Oriental FA approved an application for a large mortgage loan of HK\$194,000,000 and recovered a total of HK\$12,870,000 in overdue payment and interest from a client. Moreover, two clients cleared their loans amounting to HK\$167,500,000 in aggregate. At the end of the Reporting Period, Oriental FA recorded the loans and interests receivable of HK\$305,502,000, an increase of approximately HK\$13,264,000 or 4.5% from 31 March 2021. The loan interest rate ranged between 1.6% and 11.52% per annum.

BUSINESS OUTLOOK

Looking forward, the Group will continue to develop the three major business lines while investing resources appropriate to the prospect of each segment and creating higher return for the Shareholders.

While the traditional newspaper industry is facing dire challenges from the digital media and therefore has limited room for further development or expansion, print media is still the most profitable segment of the Group, which proves the unparalleled strength of “Oriental Daily News”. The Board will work hard to maintain the profit of the print media. As the pandemic fuelled the spread of internet culture, the digital media has become a preferred option for our advertising clients. Video advertisements, content marketing and social media are particularly popular. “on.cc” will tap future opportunities with a new mindset and aggressive approach, expanding its revenue model and integrating with newspaper advertising to enhance competitiveness. The Board is confident that the media business will shrug off the negative impact of the pandemic in the second half of the year.

As the Australia Government announced Sydney would lift its lockdown measures in November 2021, the property market is expecting a rebound, which will likely drive a return to growth in the Group’s rental income in the second half of the year. Oriental Venture is set to be a key investment segment of the Group in future. The management will study various commercially feasible investment projects, including those in the Mainland, Macau and overseas, so as to increase the proportion of investment.

The Board is optimistic of the business prospect of Oriental FA, whose target clients tend to opt for large-scale and high-quality mortgages this can help to control risks and increase profits in line with the Group’s prudent approach.

EXPOSURE TO FOREIGN EXCHANGE

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

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2021, the Group employed 1,012 (31 March 2021: 1,078) employees. Remuneration for employees including medical benefits is determined based on industry practice, the performance and working experience of the employees, and the prevailing market conditions. The Group has implemented a training scheme to groom a new generation of journalists.

OTHER INFORMATION

AUDIT COMMITTEE

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

CORPORATE GOVERNANCE

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

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

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

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

SIGNIFICANT MATTERS AFTER THE END OF THE REPORTING PERIOD

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

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

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

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

Hong Kong, 19 November 2021

As at the date hereof, the Board comprises seven directors, of which three are executive Directors, namely, Mr. Ching-fat MA (Chairman), Mr. Ching-choi MA (Vice Chairman) and Mr. Shun-chuen LAM (Chief Executive Officer), one non-executive Director, namely, Mr. Dominic LAI and three independent non-executive Directors, namely, Mr. Yau-nam CHAM, Mr. Ping-wing PAO and Mr. Yat-fai LAM.