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**東方企控集團有限公司**  
**ORIENTAL ENTERPRISE HOLDINGS LIMITED**  
*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 18)**

**Announcement of annual results for the year ended 31 March 2022**

The board (the “Board”) of directors (the “Directors”) of Oriental Enterprise Holdings Limited (the “Company”) announces that the audited consolidated results of the Company and its subsidiaries (collectively known as the “Group”) for the year ended 31 March 2022, together with the comparative figures for the corresponding year 2021, are as follows:

**Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the year ended 31 March 2022**

	Notes	2022 HK\$'000	2021 HK\$'000
Revenue	3	735,782	699,619
Other income, net	3	33,127	93,354
Raw materials and consumables used		(71,499)	(66,601)
Staff costs including directors’ emoluments		(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		22,220	39,896
Fair value gain/(loss) on financial asset at fair value through profit or loss (“FVTPL”)		3	(636)
Net exchange gain		361	41,634
(Loss)/Gain on disposal of property, plant and equipment		(412)	532
Finance costs	6	(276)	(269)
<b>Profit before tax</b>	5	<b>199,387</b>	235,948
Income tax expenses	7	(31,513)	(23,117)
<b>Profit for the year</b>		<b>167,874</b>	212,831
<b>Other comprehensive (loss)/income for the year, net of tax</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
- Exchange differences on translation of foreign operations		(2,482)	24,887
<b>Total comprehensive income for the year</b>		<b>165,392</b>	237,718

	Notes	2022 HK\$'000	2021 HK\$'000
<b>Profit for the year attributable to:</b>			
Owners of the Company		166,744	211,238
Non-controlling interests		1,130	1,593
		<b>167,874</b>	<b>212,831</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		164,733	234,888
Non-controlling interests		659	2,830
		<b>165,392</b>	<b>237,718</b>
<b>Earnings per share (expressed in Hong Kong cents)</b>	9		
<b>- Basic and diluted</b>		<b>HK6.95 cents</b>	HK8.81 cents

**Consolidated Statement of Financial Position**  
**As at 31 March 2022**

	Notes	2022 HK\$'000	2021 HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		427,480	465,228
Leasehold land		19,692	20,480
Investment properties		313,267	489,998
Financial asset at FVTPL		8,820	8,817
Loans and interest receivables	12	2,616	5,021
Deferred tax assets		2,385	4,653
		<b>774,260</b>	994,197
<b>Current assets</b>			
Inventories	10	65,292	50,474
Trade receivables	11	56,907	70,447
Loans and interest receivables	12	301,911	287,217
Other debtors, deposits and prepayments		12,967	14,526
Income tax recoverable		2,139	11,285
Cash and cash equivalents		633,593	654,265
		<b>1,072,809</b>	1,088,214
<b>Investment properties classified as held for sale</b>		<b>210,819</b>	-
<b>Total current assets</b>		<b>1,283,628</b>	1,088,214
<b>Current liabilities</b>			
Trade payables	13	20,974	13,052
Other creditors, accruals and deposits received		71,982	47,056
Contract liabilities		5,970	7,422
Income tax payable		15,710	406
Borrowings	14	7,053	7,110
<b>Total current liabilities</b>		<b>121,689</b>	75,046
<b>Net current assets</b>		<b>1,161,939</b>	1,013,168
<b>Total assets less current liabilities</b>		<b>1,936,199</b>	2,007,365
<b>Non-current liabilities</b>			
Deferred tax liabilities		72,144	68,910
<b>Net assets</b>		<b>1,864,055</b>	1,938,455
<b>Capital and reserves</b>			
Share capital		1,413,964	1,413,964
Reserves		441,499	516,558
Equity attributable to owners of the Company		<b>1,855,463</b>	1,930,522
<b>Non-controlling interests</b>		<b>8,592</b>	7,933
<b>Total equity</b>		<b>1,864,055</b>	1,938,455

**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**1. GENERAL INFORMATION AND BASIS OF PREPARATION**

The financial information relating to the years ended 31 March 2022 and 2021 included in this preliminary annual results announcement do not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 March 2021 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance (Cap. 622) and will deliver the financial statements for the year ended 31 March 2022 in due course.

The Company's auditors (2022: Mazars CPA Limited; 2021: HLM CPA Limited) have reported on the financial statements of the Group for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance (Cap. 622).

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable 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 2022.

**2. APPLICATION OF NEW/REVISED HKFRSs**

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

Amendments to HKFRS 16	COVID-19 – Related Rent Concessions
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

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;

## 2. APPLICATION OF NEW/REVISED HKFRSs (continued)

- 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.

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

<sup>[1]</sup> Effective for annual periods beginning on or after 1 January 2022

<sup>[2]</sup> Effective for annual periods beginning on or after 1 January 2023

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

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

### 3. REVENUE AND OTHER INCOME

Revenue recognised during the year is as follows:

	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
	<b>735,782</b>	<b>699,619</b>

	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

Note:

During the year ended 31 March 2021, the Group had recognised government grants are 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 Fund, set up by the Hong Kong Special Administrative Region (“HKSAR”) Government. The purpose of the ESS is to provide financial support to employers to retain employees who may otherwise be made redundant. Under the terms of the 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 (“JKP”) and Temporary Cashflow Boost (“TCB”) administered by the Australian Taxation Office. The purpose of the JKP 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 HKSAR 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.

#### 4. SEGMENT INFORMATION

Based on the regular internal financial information reported to the executive Directors, being the chief operating decision makers, for their decision about resources allocation to the Group's business components and review of these components' performance, the executive Directors 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 newspaper 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 represents 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 directors' emoluments and finance costs.

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

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

##### Reportable segment revenue and results

	Publication of 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	<b>676,039</b>	652,166	<b>30,612</b>	21,081	<b>29,131</b>	26,372	<b>735,782</b>	699,619
Reportable segment results	<b>183,197</b>	91,057	<b>21,631</b>	19,460	<b>12,264</b>	39,427	<b>217,092</b>	149,944
Government grants	-	58,634	-	-	-	2,655	-	61,289
Unallocated corporate income							<b>20,706</b>	21,833
Unallocated exchange gain							<b>361</b>	41,634
Unallocated corporate expenses							<b>(38,772)</b>	(38,752)
Profit before tax							<b>199,387</b>	235,948
<b>Other information</b>								
(Reversal of)/Loss allowance for expected credit loss ("ECL")	<b>(679)</b>	224	-	-	<b>10,943</b>	2,107	<b>10,264</b>	2,331
Depreciation and amortisation	<b>(29,904)</b>	(33,589)	-	-	<b>(3,936)</b>	(1,253)	<b>(33,840)</b>	(34,842)
Fair value gain on investment properties	-	-	-	-	<b>22,220</b>	39,896	<b>22,220</b>	39,896
Additions to property, plant and equipment	<b>9,593</b>	3,644	-	-	<b>64</b>	568	<b>9,657</b>	4,212

#### 4. SEGMENT INFORMATION (continued)

##### Reportable segment assets and liabilities

	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
<b>ASSETS</b>								
Segment assets	<b>496,035</b>	518,509	<b>305,137</b>	293,529	<b>614,303</b>	607,291	<b>1,415,475</b>	1,419,329
Unallocated assets								
Financial assets at FVTPL							<b>8,820</b>	8,817
Cash and cash equivalents							<b>633,593</b>	654,265
<b>Total assets</b>							<b>2,057,888</b>	2,082,411
<b>LIABILITIES</b>								
Segment liabilities	<b>124,793</b>	104,155	<b>1,283</b>	120	<b>67,757</b>	39,681	<b>193,833</b>	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	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	<b>715,779</b>	683,306	<b>583,172</b>	606,957
Australia	<b>20,003</b>	16,313	<b>177,267</b>	368,749
	<b>735,782</b>	699,619	<b>760,439</b>	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 in both years ended 31 March 2022 and 2021.

## 5. 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
Repair 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"

## 6. FINANCE COSTS

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

## 7. 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 Australia is subject to the corporate income tax at a statutory rate of 30% for the years ended 31 March 2022 and 2021.

	2022 HK\$'000	2021 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		
- Origination of temporary differences	5,605	15,075
	31,513	23,117

## 8. 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
	<b>215,814</b>	<b>215,812</b>

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

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

	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	-
	<b>239,792</b>	<b>47,958</b>

## 9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of approximately HK\$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.

## 10. 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
	<b>65,292</b>	<b>50,474</b>

## 11. TRADE RECEIVABLES

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

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

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

	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
	<b>56,907</b>	<b>70,447</b>

## 12. LOANS AND INTEREST RECEIVABLES

The Group seeks to maintain strict control over its loans granting and outstanding loan receivables to minimise credit risk. These loans were approved and monitored by the management of the Group, whilst overdue balances are reviewed regularly for recoverability. At 31 March 2022, the Directors 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 receivable 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.

During the year ended 31 March 2022, the Directors considered that the loans and interest receivables were not past due and the reassessed fair value of the secured collaterals by each borrower are higher than their outstanding loan and interest balances and thus concluded that no loss allowance for ECL was recognised during the year ended 31 March 2022.

### 13. TRADE PAYABLES

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

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

### 14. BORROWINGS

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Other loan	<b>7,053</b>	7,110

At 31 March 2022 and 2021, the other loan is denominated in AUD 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.

## 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.

## 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 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.

Subject to Shareholders’ approval at the 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 Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 24 August 2022.

## COMMENTARY

“**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” (續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 HKEX. 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 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 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.

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 approximately HK\$676,039,000. Among others, the publication and advertising income of Oriental Daily News stood at approximately HK\$541,638,000, an increase of approximately 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 approximately HK\$134,401,000, an increase of approximately 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 approximately AUD512,000, a decrease of approximately 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 approximately HK\$30,612,000, impressively up by approximately 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 approximately HK\$58,336,000 or 13%. During the Reporting Year, the Group paid special bonuses of approximately 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.

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.

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

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.

## **FINANCIAL RESOURCES AND LIQUIDITY**

The Group always maintains a strong liquidity. The net current assets as at 31 March 2022 amounted to approximately HK\$1,161,939,000 (2021: HK\$1,013,168,000), which includes time deposits, bank balances and cash amounting to approximately 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 approximately HK\$9,657,000 (2021: HK\$4,212,000).

## **CONTINGENT LIABILITY**

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

## **EXPOSURE TO FOREIGN EXCHANGE**

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

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 March 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.

## **CORPORATE GOVERNANCE**

The Company has complied with the code provisions of the Corporate Governance Code (the version up to 31 December 2021 and the version with effect from 1 January 2022) as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the Reporting Year. The Company has adopted most of the recommended best practices stated therein.

## **AUDIT COMMITTEE**

The audit committee of the Company has reviewed the accounting principles and practices adopted by the Group and the annual results for the Reporting Year with the management.

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

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

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

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

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

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

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

## **AGM**

The AGM to the Shareholders will be held on Wednesday, 17 August 2022 and the notice of AGM will be published and dispatched in the manner as required by the Listing Rules in due course.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This announcement is published on the website of the Company at <https://oeh.on.cc> and on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). The annual report for the Reporting Year 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 accordance with the Listing Rules in due course.

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

Hong Kong, 24 June 2022

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