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香港經濟日報集團有限公司

HONG KONG ECONOMIC TIMES HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 00423)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2017

The Directors of Hong Kong Economic Times Holdings Limited (the “Company”) are pleased to announce the audited consolidated final results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2017 as follows:

CONSOLIDATED INCOME STATEMENT

		Year ended 31 March	
		2017	2016
	Note	HK\$'000	HK\$'000
Revenue	2	1,126,052	1,176,087
Cost of sales	3	(715,629)	(747,227)
Gross profit		410,423	428,860
Selling and distribution expenses	3	(176,095)	(171,660)
General and administrative expenses	3	(194,487)	(194,765)
Other income		3,845	2,531
Operating profit		43,686	64,966
Finance income		3,381	8,058
Finance costs		(449)	(1,829)
Finance income – net		2,932	6,229
Profit before income tax		46,618	71,195
Income tax expense	4	(15,859)	(12,061)
Profit for the year		30,759	59,134
Profit attributable to:			
Owners of the Company		28,759	57,482
Non-controlling interests		2,000	1,652
		30,759	59,134
Earnings per share attributable to owners of the Company (expressed in HK cents)			
Basic and diluted	5	6.66	13.32

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 March	
	2017	2016
	HK\$'000	HK\$'000
Profit for the year	30,759	59,134
Other comprehensive income/(loss):		
Item that may be reclassified to profit or loss		
Currency translation differences arising from foreign operations	(924)	(714)
Item that will not be reclassified subsequently to profit or loss		
Remeasurement of long service payment provision	4,821	(3,696)
Other comprehensive income/(loss) for the year, net of tax	3,897	(4,410)
Total comprehensive income for the year	34,656	54,724
Total comprehensive income attributable to:		
Owners of the Company	32,656	53,072
Non-controlling interests	2,000	1,652
	34,656	54,724

CONSOLIDATED BALANCE SHEET

		As at 31 March	
	Note	2017 HK\$'000	2016 HK\$'000
Non-current assets			
Property, plant and equipment		415,122	456,269
Investment properties		77,915	72,109
Deferred income tax assets		23,085	23,701
Deposits paid for property, plant and equipment		125	4,325
Deposit paid for acquisition of a subsidiary	10	15,240	–
		531,487	556,404
Current assets			
Inventories		22,261	29,843
Trade receivables	7	208,410	214,364
Deposits, prepayments and other receivables		29,555	34,484
Tax recoverable		263	344
Pledged deposits		3,349	3,320
Term deposits with original maturities of over three months		239,375	248,601
Cash and cash equivalents		119,023	117,344
		622,236	648,300
Current liabilities			
Trade payables	8	34,454	37,604
Fees in advance		121,369	128,491
Accruals, other payables and provisions		108,104	110,661
Current income tax liabilities		1,343	2,496
Bank borrowings	9	–	8,080
		265,270	287,332
Net current assets		356,966	360,968
Total assets less current liabilities		888,453	917,372
Equity attributable to owners of the Company			
Share capital		43,160	43,160
Reserves		787,623	793,811
		830,783	836,971
Non-controlling interests		12,306	10,586
Total equity		843,089	847,557
Non-current liabilities			
Bank borrowings	9	–	22,220
Deferred income tax liabilities		35,743	33,462
Other non-current liabilities		9,621	14,133
		45,364	69,815
Total equity and non-current liabilities		888,453	917,372

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2017

1. Basis of preparation and accounting policies

The consolidated financial statements of Hong Kong Economic Times Holding Limited have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”) and requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention.

The following improvements and amendments to standards are relevant to the Group’s operation and are mandatory for the financial year ended 31 March 2017:

Annual improvements project	Annual improvements 2012-2014 Cycle
Amendment to HKAS 1 (Revised)	Disclosure initiative
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation
Amendment to HKAS 27 (2011)	Equity method in separate financial statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment entities: Applying the consolidation exception

These improvements and amendments to standards had no material impact on the presentation of the Group’s financial statements.

The following new standards and amendments to standards are relevant to the Group’s operation but are not effective for the Group’s financial year beginning on or after 1 April 2016 and have not been early adopted in these consolidated financial statements:

		Effective for accounting period beginning on or after
Amendment to HKAS 7	Disclosure initiative	1 January 2017
Amendment to HKAS 12	Recognition of deferred tax assets for unrealised losses	1 January 2017
HKFRS 9	Financial instruments	1 January 2018
HKFRS 15	Revenue from contracts with customers	1 January 2018
HKFRS 16	Leases	1 January 2019

Management is in the process of assessing the impact of these new standards and amendments to standards and the expected impact on the Group’s financial performance and position is set out in consolidated financial statements for the year ended 31 March 2017.

2. Revenue and segment information

The chief operating decision-maker has been identified as the Chief Executive Officer (“CEO”) of the Group. He reviews the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Group has 4 reportable segments:

- (a) Media segment – principally engaged in the printing and publication of newspapers, magazines and books and generates advertising income, circulation income and service income from these publications.
- (b) Financial news agency, information and solutions segment – principally engaged in the provision of electronic financial and property market information and related solutions and generates service income from provision of information subscription services, solutions and other related maintenance services.
- (c) Recruitment advertising and training segment – principally engaged in the provision of recruitment advertising and training services. This segment generates advertising income from placement of recruitment advertisements, and enrolment income on the provision of professional training.
- (d) Lifestyle platforms segment – principally engaged in the operation of portals in food, travel, health and other lifestyle focus. This segment generates advertising income and service income from operation of internet portals.

The chief operating decision-maker assesses the performance of the operating segments based on their respective segment results.

Sales between segments are carried out at arm’s length.

Turnover consists of revenue comprising the advertising income, circulation income, service income and enrolment income.

An analysis of the Group’s revenue for the year is as follows:

	2017	2016
	<i>HK\$’000</i>	<i>HK\$’000</i>
Revenue		
Advertising income	611,759	639,103
Circulation income	96,268	108,941
Service income	405,705	412,375
Enrolment income	12,320	15,668
	1,126,052	1,176,087

More than 90% of the Group’s activities are carried out in Hong Kong and more than 90% of the Group’s assets and liabilities are located in Hong Kong. Accordingly, no analysis by geographical basis for the relevant years is presented.

The segment results for the year ended 31 March 2017 are as follows:

	Media		Financial news agency, information and solutions		Recruitment advertising and training		Lifestyle platforms		Corporate		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
REVENUE												
Revenue	739,163	796,423	316,505	312,517	45,704	49,735	31,905	24,714	-	-	1,133,277	1,183,389
Inter-segment transactions	(3,007)	(3,233)	(3,998)	(3,885)	(216)	(180)	(4)	(4)	-	-	(7,225)	(7,302)
Revenue – from external customers	736,156	793,190	312,507	308,632	45,488	49,555	31,901	24,710	-	-	1,126,052	1,176,087
RESULTS												
Profit/(loss) for the year	(26,697)	8,163	60,332	51,544	5,255	5,326	(8,258)	(5,921)	127	22	30,759	59,134

For the year ended 31 March 2017, revenue of approximately HK\$74,986,000 (2016: HK\$84,318,000) is derived from a single external customer. The revenue is attributable to the media segment.

The Group is domiciled in Hong Kong. The revenue from external customers attributed to Hong Kong and other countries are HK\$1,124,295,000 (2016: HK\$1,173,870,000) and HK\$1,757,000 (2016: HK\$2,217,000), respectively. The Group's revenue by geographical location is determined by the respective places of domicile of the relevant group entities which include Hong Kong and the People's Republic of China ("PRC").

The total non-current assets other than deferred income tax assets located in Hong Kong and other countries are HK\$508,310,000 (2016: HK\$532,588,000) and HK\$92,000 (2016: HK\$115,000), respectively.

3. Expenses by nature

Expenses included cost of sales, selling and distribution expenses and general and administrative expenses are analysed as follows:

	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
Crediting		
Gain on disposal of property, plant and equipment	110	65
Charging		
Staff costs including Directors' and CEO's remuneration	525,053	520,809
Cost of inventories sold or consumed	175,708	194,023
Auditors' remuneration	2,720	2,720
Depreciation of property, plant and equipment and investment properties	59,720	59,314
Operating lease rentals on land and buildings	27,985	25,761
Provision for impairment of trade receivables	200	438
Bad debts written off	–	11
Provision for obsolete inventories	452	422
Inventories written off	196	172

4. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profit for the year. The PRC enterprise income tax has been calculated at the rate of 25% (2016: 25%) on the estimated assessable profit of subsidiaries operating in the PRC.

	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current income tax		
Hong Kong profits tax	12,955	11,806
PRC enterprise income tax	122	358
Over-provisions in prior years	(115)	(116)
Total current income tax	12,962	12,048
Deferred income tax	2,897	13
Income tax expense	15,859	12,061

5. Earnings per share

The calculation of basic earnings per share for current year is based on the profit attributable to owners of the Company of HK\$28,759,000 (2016: HK\$57,482,000) and number of 431,600,000 (2016: 431,600,000) shares in issue during the year.

Diluted earnings per share are the same as basic earnings per share as there were no dilutive potential ordinary shares for the year ended 31 March 2017 (2016: same).

6. Dividends

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Dividends attributable to the year		
Interim dividend paid of HK 2.0 cents (2016: HK 2.0 cents) per ordinary share	8,632	8,632
Proposed final dividend of HK 4.5 cents (2016: HK 7.0 cents) per ordinary share	19,422	30,212
	28,054	38,844
Dividends paid during the year	38,844	34,528

A final dividend in respect of the year ended 31 March 2017 of HK 4.5 cents per ordinary share, amounting to a total dividend of HK\$19,422,000, is to be proposed at the annual general meeting on 10 August 2017. This proposed dividend is not reflected as a dividend payable in the consolidated balance sheet.

7. Trade receivables

The credit period granted by the Group to its trade customers ranges from 0 to 90 days. The ageing analysis of trade receivables by overdue day is as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
0 to 30 days	117,852	123,856
31 to 60 days	30,807	33,697
61 to 90 days	20,919	22,197
Over 90 days	43,151	38,733
Trade receivables, gross	212,729	218,483
Less: provision for impairment of trade receivables	(4,319)	(4,119)
	208,410	214,364

8. Trade payables

The ageing analysis of trade payables by overdue day is as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
0 to 30 days	32,361	33,204
31 to 60 days	658	2,894
61 to 90 days	192	412
Over 90 days	1,243	1,094
	34,454	37,604

9. Bank borrowings

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Non-current		
Bank borrowings	–	22,220
Current		
Bank borrowings	–	8,080
Total	–	30,300

Movements in bank borrowings are analysed as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
At beginning of the year	30,300	120,243
Repayment of bank borrowings	(30,300)	(89,943)
At end of the year	–	30,300

Bank borrowings are repayable as follows:

	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one year	–	8,080
Between one and two years	–	8,080
Between two and five years	–	14,140
	–	30,300

As at 31 March 2016, the bank borrowings bear floating rate were denominated in HK dollars and secured by certain investment properties of the Group. These bank borrowings were repaid during the year ended 31 March 2017.

10. Event after the balance sheet date

Subsequent to the year end date, the Group is in the process of acquiring the entire interest of a company holding several office premises in Hong Kong at a total consideration of approximately HK\$152,400,000. As at 31 March 2017, a deposit of HK\$15,240,000 was made and recognised as 'deposit paid for acquisition of a subsidiary' in the consolidated balance sheet.

MANAGEMENT DISCUSSION AND ANALYSIS

Summary of Profit and Loss Account

	Year ended 31 March		
	2017	2016	% Change
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Revenue	1,126,052	1,176,087	-4%
Cost of sales	(715,629)	(747,227)	-4%
Gross profit	410,423	428,860	-4%
Gross profit margin	36.4%	36.5%	
Selling and distribution expenses	(176,095)	(171,660)	3%
General and administrative expenses	(194,487)	(194,765)	0%
Other income	3,845	2,531	52%
Operating profit	43,686	64,966	-33%
Finance income – net	2,932	6,229	-53%
Profit before income tax	46,618	71,195	-35%
Income tax expense	(15,859)	(12,061)	31%
Profit for the year	30,759	59,134	-48%
Non-controlling interests	(2,000)	(1,652)	21%
Profit attributable to owners	28,759	57,482	-50%
Net profit margin	2.7%	5.0%	

General

The Group's revenue for the financial year ended 31 March 2017 decreased by HK\$50.0 million or 4% over last financial year to HK\$1,126.1 million. Profit attributable to owners decreased by 50% from HK\$57.5 million to HK\$28.8 million.

Revenue

	Year ended 31 March		
	2017	2016	% Change
	HK\$'000	HK\$'000	
Revenue:			
Advertising income	611,759	639,103	-4%
Circulation income	96,268	108,941	-12%
Service income	405,705	412,375	-2%
Enrolment income	12,320	15,668	-21%
Total	1,126,052	1,176,087	-4%

Advertising income for the year ended 31 March 2017 recorded HK\$611.8 million, a drop of HK\$27.3 million, or 4% from the year ended 31 March 2016. Among the Group's print publications, *Sky Post* continued to record growth in advertising income. With the second largest circulation and readership figures in free dailies market and targeting the middle class family, *Sky Post* had received tremendous support from the advertisers. Year 2016 was another hard year for print media, in particular paid publications. The Group's paid publications were no exception. Advertising income of our paid daily and weeklies decreased except for *U Magazine*. *U Magazine*, a leading travel and lifestyle brand in Hong Kong and being winner in "Travel Magazine of the Year (Local) Award" by Marketing Magazine for 6 consecutive years (2011 – 2016), was able to maintain its advertising income albeit the very difficult business environment for magazine market. Digital advertising income, generated from the Group's various portals including recruitment, finance and lifestyle portals, increased significantly for the year under review and was able to compensate a major part of the loss of advertising income from paid publications.

Circulation income recorded a decrease of 12% from HK\$108.9 million in the year ended 31 March 2016 to HK\$96.3 million for the financial year under review. The decrease was mainly from the Group's paid weeklies. Magazines market was the hardest hit in the media transformation. The Group's flagship *Hong Kong Economic Times*, continued to rank number one in media credibility among all paid and free Chinese newspapers in Hong Kong by a tracking research in 2016 – "Public Evaluation on Media Credibility" conducted by the Centre for Communication and Public Opinion Survey of The Chinese University of Hong Kong. Our persistence in objective, unbiased and quality content earned the daily a stable circulation income.

Service income for the year ended 31 March 2017 decreased slightly by 2% from HK\$412.4 million in preceding financial year to HK\$405.7 million. The decrease was mainly due to the drop in external printing service income from the Group's printing operations which was in line with the shrinking trend of magazine market. Service income from financial news agency, information and solutions businesses remained solid in current financial year. The high product quality, excellent product and servicing team together with the advanced technological infrastructure and extensive industry domain knowledge had secured the businesses under this segment a strong leading position in the market.

Operating Costs

Gross profit margin for the year ended 31 March 2017 was 36.4%, similar to that for the year ended 31 March 2016.

Staff costs, representing approximately 48% of the Group's total operating costs, increased by 1% as compared to the year ended 31 March 2016. The increase was mainly due to general salary increment in line with the employment market, offset by decrease in headcount.

Newsprint costs, constituting around 9% of the Group's total operating costs, decreased by 3% when compared to the year ended 31 March 2016. The Group would continue to deploy effective production control on material consumption.

Income Tax Expense

The effective tax rates of the Group for the financial years ended 31 March 2017 and 2016 were 34.0% and 16.9% respectively. The increase in effective tax rate was mainly due to deferred tax assets in respect of tax losses not recognised in current financial year. The Group was subject to the standard profits tax rate of 16.5% which was applicable to companies incorporated in Hong Kong, the Group's major place of operation. For the financial year under review, the Group did not recognise deferred tax assets in respect of tax losses incurred by the Group's subsidiaries for a more prudent consideration. The Group would closely monitor the related operations and review the adequacy of deferred tax assets recognition from time to time.

Profit Attributable to Owners

Profit attributable to owners of the Group for the year under review was HK\$28.8 million, a decrease of HK\$28.7 million or 50% as compared to HK\$57.5 million recorded for the year ended 31 March 2016. Net profit margin decreased by 2.3 percentage point to 2.7% for the current financial year.

Media segment's operating results turned negative for the year under review while *Hong Kong Economic Times* continued its positive contribution. The Group's investments in free daily publishing and development of digital platforms over our print publications had become the drivers of revenue growth of the segment. The Group believed that our investment initiatives in free daily and digital platforms were worthwhile and necessary to sustain the continuous growth of the Group.

Financial news agency, information and solutions segment registered a remarkable growth of 17% in profits when compared to the preceding financial year, a record high profit for the segment. The encouraging profit was a result of the combined effort of dedicated product development and sales and customer service teams together with effective cost control.

Recruitment advertising and training segment was contributing positively to the Group's operating results with a stable profit. The digital based recruitment channels had been gaining share in the recruitment market.

Lifestyle platforms, leveraging on the strengths of the Group's publications, became one of the main drivers of revenue growth of the Group. The investment was aimed to produce positive return in the near term.

Liquidity and Capital Resources

(in HK\$ million)	As at 31 March	
	2017	2016
Net current assets	357.0	361.0
Term deposits, pledged deposits and cash and cash equivalents	361.7	369.3
Bank borrowings	–	30.3
Owners' funds	830.8	837.0
Gearing ratio	N/A	2.5%
Current ratio	2.35 times	2.26 times

The Group's net current assets as at 31 March 2017 were HK\$357.0 million, similar to HK\$361.0 million as at 31 March 2016. Contribution from the positive operating results of the Group was offset by repayment of bank loans and distribution of dividends during the year. The Group recorded net cash generated from operating activities of HK\$94.3 million for the year under review.

Net cash used in investing activities was HK\$22.3 million. During the year, the Group had purchased property, plant and equipment amounting to HK\$20.6 million and paid deposit of HK\$15.2 million for acquisition of the entire interest of a company holding several office premises occupied by the Group. Total consideration for the acquisition, amounted to HK\$152.4 million, will be funded by the Group's internal resources.

The Group had distributed the final dividend declared for the financial year ended 31 March 2016 and interim dividend for the six months period ended 30 September 2016 amounting to an aggregate total of HK\$38.8 million. During the year, the Group had repaid HK\$30.3 million bank loan. Net cash used in financing activities for the year therefore amounted to HK\$69.4 million.

The Group had no gearing (being total interest bearing liabilities divided by total assets) as at 31 March 2017.

As at 31 March 2017, the Group had a cash balance of HK\$361.7 million as compared to HK\$369.3 million as at 31 March 2016. Majority of the cash was placed under short-term deposits with banks in Hong Kong and was held in Hong Kong dollars. The Group had no material exposure to foreign exchange fluctuations.

The Group is able to meet its working capital requirements, support investment needs of any future business plans and fulfill the dividend payment policy at the current fund level.

OUTLOOK

The media transformation continued. Digital marketing is becoming more persuasive in communicating with consumers in a personalized and real-time mode especially via mobile platforms. Nonetheless, traditional media is still an important means of communication to readers. In such a complex and dynamic landscape, the Group has been investing and deploying resources to build a strong and professional team for its digital businesses in the printed media segment in recent years. We are focusing and deriving the best practices which enable us to capture new opportunities. We believe that with HKET Group's premium brand image, visionary business strategy, excellent execution capabilities, and strong financial position along with a professional and experienced management team, we will be able to sustain our business development and continue to move forward in the years ahead.

The economic outlook remains challenging. Despite some recent encouraging signs in the US and the European economies, the global macro situation is becoming more complex as political and economic uncertainties remain. Technological disruption and inadequate aggregate demand will continue to affect the global economy in the years to come. Mainland, on the back of continuous economic reforms and positive fiscal measures by the Central Government, is expected to achieve a steady and reasonable growth. The rebalancing of economy to services and consumption sectors together with the Belt and Road Initiative will open new opportunities to the local businesses.

The Group is in a strong cash flow position with a cash balance of around HK\$362 million as at 31 March 2017. We are determined to maintain a sustainable long term dividend policy with strong liquidity and healthy financial position. We are confident that we are well poised to weather the changes as we build for the future.

EMPLOYEES

As at 31 March 2017, the Group had 1,455 employees (31 March 2016: 1,499 employees). The Directors believe that employees are the most valuable assets of the Group and competitive remuneration packages are offered to retain quality staff. Employee benefits include medical insurance, discretionary bonus, provident fund schemes and other staff benefits.

DIVIDENDS

The Directors recommend a payment from the distributable reserves of the Company a final dividend of HK 4.5 cents per share in respect of the year ended 31 March 2017 to the shareholders whose names appear on the Register of Members of the Company at the close of business on 18 August 2017, amounting to HK\$19,422,000. The final dividend, payable on 29 September 2017, is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be held on 10 August 2017 (“the Meeting”).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 7 August 2017 to 10 August 2017 (both days inclusive) and 21 August 2017 to 23 August 2017 (both days inclusive) respectively, during which period no transfer of shares will be effected. In order to qualify for the entitlement to attend and vote at the Meeting, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 4 August 2017. In order to qualify for the proposed final dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 18 August 2017.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the provisions set out in the Corporate Governance Code (the "Code Provisions") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the year ended 31 March 2017 except as stated and explained below.

Under Code A.2.1 of the Code Provisions, the roles of Chairman and CEO should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and CEO should be clearly established and set out in writing. However, the Company has appointed Mr. Fung Siu Por, Lawrence as both its Chairman and the CEO. The Board believes that vesting the roles of the Chairman and the CEO in the same person would allow the Company to be more effective and efficient in developing long-term business strategies and execution of business plans. The Board believes that the balance of power and authority is adequately ensured by the operation of the Board, which comprises experienced and high calibre individuals with a substantial number thereof being Non-executive Directors.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company confirmed the adoption of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the “Model Code”). All Directors of the Company confirmed their compliance with the required standard set out in the Model Code throughout the year ended 31 March 2017.

AUDIT COMMITTEE

The Company established an Audit Committee in 2005 with written terms of reference. The Audit Committee comprises Non-executive Director, Mr. Chu Yu Lun and two Independent Non-executive Directors, Mr. O’Yang Wiley as Committee Chairman and Mr. Lo Foo Cheung. The Audit Committee has reviewed the Group’s audited final results for the year ended 31 March 2017.

REMUNERATION COMMITTEE

The Company established a Remuneration Committee in 2005 with written terms of reference. The Remuneration Committee comprises Non-executive Director, Mr. Chu Yu Lun, and two Independent Non-executive Directors, Mr. Lo Foo Cheung as Committee Chairman and Professor Leung Gabriel Matthew.

NOMINATION COMMITTEE

The Company established a Nomination Committee in 2005 with written terms of reference. The Nomination Committee comprises three Independent Non-executive Directors, Mr. Chow On Kiu as Committee Chairman, Professor Leung Gabriel Matthew and Mr. O’Yang Wiley.

On Behalf of the Board
Hong Kong Economic Times Holdings Limited
Fung Siu Por, Lawrence
Chairman

Hong Kong, 26 June 2017

As at the date of this announcement, the Board comprises: (a) Executive Directors: Mr. Fung Siu Por, Lawrence, Mr. Mak Ping Leung (alias: Mr. Mak Wah Cheung), Mr. Chan Cho Biu, Mr. Shek Kang Chuen and Ms. See Sau Mei Salome; (b) Non-executive Director: Mr. Chu Yu Lun; and (c) Independent Non-executive Directors: Mr. Chow On Kiu, Professor Leung Gabriel Matthew, Mr. Lo Foo Cheung and Mr. O'Yang Wiley.

This announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company's websites at www.hketgroup.com and at www.etnet.com.hk/etg. The Group's Annual Report 2016/2017 containing all the information required by the Listing Rules will be dispatched to shareholders and published on the above websites in due course.