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: 0423)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

The Directors of Hong Kong Economic Times Holdings Limited (the "Company") are pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 September 2007 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited For the six months ended 30 September	
	Note	**2007 HK$'000**	2006 HK$'000
Turnover	*2*	**455,422**	400,097
Cost of sales		**(254,605)**	(230,114)
Gross profit		**200,817**	169,983
Other revenues		**4,729**	3,385
Selling and distribution expenses		**(59,559)**	(48,541)
General and administrative expenses		**(61,943)**	(54,598)
Operating profit		**84,044**	70,229
Finance costs		**–**	(1,135)
Profit before income tax		**84,044**	69,094
Income tax expense	*3*	**(14,618)**	(12,705)
Profit for the period		**69,426**	56,389
Attributable to:			
Equity holders of the Company		**69,019**	56,214
Minority interests		**407**	175
		69,426	56,389
Earnings per share for profit attributable to equity holders of the Company (expressed in HK cents)			
Basic and diluted	*4*	**15.99**	13.02
Dividends	*5*	**13,380**	12,948

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	Unaudited As at 30 September 2007 HK$'000	Audited As at 31 March 2007 HK$'000
Non-current assets			
Intangible assets		**29,039**	25,539
Property, plant and equipment		**202,725**	201,050
Lease premium for land		**73,700**	55,022
Deferred income tax assets		**9**	8
		305,473	281,619
Current assets			
Inventories		**21,816**	20,579
Trade receivables	6	**183,195**	154,971
Deposits, prepayments and other receivables		**16,691**	10,688
Tax recoverable		**–**	539
Pledged time deposits		**5,276**	3,428
Cash and cash equivalents		**238,316**	229,966
		465,294	420,171
Current liabilities			
Trade payables	7	**29,248**	25,499
Fees in advance		**50,266**	43,254
Accruals and other payables		**87,077**	78,230
Current income tax liabilities		**13,191**	1,802
		179,782	148,785
Net current assets		**285,512**	271,386
Total assets less current liabilities		**590,985**	553,005

	Note	**Unaudited As at 30 September 2007 HK$'000**	Audited As at 31 March 2007 HK$'000
Financed by:			
Share capital	*8*	**43,160**	43,160
Reserves			
Proposed final dividends		**–**	34,096
Proposed interim dividends		**13,380**	–
Others		**512,342**	456,703
Equity holders' funds		**568,882**	533,959
Minority interests		**1,288**	881
Total equity		**570,170**	534,840
Non-current liabilities			
Deferred income tax liabilities		**20,815**	18,165
Total equity and non-current liabilities		**590,985**	553,005

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED

	Attributable to equity holders of the Company							
	Share capital	**Share premium**	**Merger reserve**	**Capital reserve**	**Retained earnings**	**Total**	**Minority Interests**	**Total equity**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Balance at 1 April 2006	43,160	159,930	69,944	6,120	172,313	451,467	532	451,999
Profit for the period	–	–	–	–	56,214	56,214	175	56,389
Final dividends paid to equity holders of the Company	–	(24,601)	–	–	–	(24,601)	–	(24,601)
Balance at 30 September 2006	43,160	135,329	69,944	6,120	228,527	483,080	707	483,787
Balance at 1 April 2007	43,160	122,381	69,944	6,120	292,354	533,959	881	534,840
Profit for the period	–	–	–	–	69,019	69,019	407	69,426
Final dividends paid to equity holders of the Company	–	–	–	–	(34,096)	(34,096)	–	(34,096)
Balance at 30 September 2007	43,160	122,381	69,944	6,120	327,277	568,882	1,288	570,170

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six months period ended 30 September 2007

1. Basis of preparation and accounting policies

The unaudited condensed interim financial information is prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

This unaudited condensed interim financial information should be read in conjunction with the Group's audited 2007 annual financial statements.

The accounting policies and method of computation used in the preparation of this condensed interim financial information are consistent with those adopted in the annual financial statements for the year ended 31 March 2007.

HKICPA has issued a number of new standards, amendments to standards and interpretations that are effective for accounting periods beginning on or after 1 January 2007. The Group has carried out an assessment of these standards, amendments and interpretations and considered that they have no significant impact on these unaudited condensed interim financial statements.

2. Segment information

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products they provide. Each of the Group's business segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments. The segment results for the six months period ended 30 September 2007 are as follows:

	Unaudited For the six months ended 30 September									
	Publishing and multimedia		Financial news agency, information and solutions		Recruitment advertising and training		Corporate		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Turnover, gross	**338,092**	307,887	**78,151**	63,330	**44,302**	40,259	**–**	–	**460,545**	411,476
Inter-segment transactions	**(4,606)**	(7,540)	**(501)**	(364)	**(16)**	(3,475)	**–**	–	**(5,123)**	(11,379)
Turnover, net	**333,486**	300,347	**77,650**	62,966	**44,286**	36,784	**–**	–	**455,422**	400,097
Segment results	**51,190**	42,605	**14,775**	8,094	**14,976**	16,643	**3,103**	2,887	**84,044**	70,229
Finance costs									**–**	(1,135)
Profit before income tax									**84,044**	69,094
Income tax expense									**(14,618)**	(12,705)
Profit for the period									**69,426**	56,389
Attributable to:										
Equity holders of the Company									**69,019**	56,214
Minority interests									**407**	175
									69,426	56,389

3. Income tax expense

Hong Kong profits tax has been provided at a rate of 17.5% (2006: 17.5%) on the estimated assessable profits for the period. Overseas tax is calculated at tax rates applicable in countries in which the Group is assessable for tax.

	Unaudited For the six months ended 30 September 2007 HK$'000	2006 HK$'000
Hong Kong profits tax	**11,968**	10,232
Deferred taxation relating to the origination and reversal of temporary differences	**2,650**	2,473
	14,618	12,705

4. Earnings per share

The calculation of basic earnings per share for current period is based on profit attributable to equity holders of the Company of HK$69,019,000 (2006: HK$56,214,000) and weighted average number of 431,600,000 shares (2006: 431,600,000) in issue during the period.

No diluted earnings per share was presented as there were no dilutive potential ordinary shares during the periods ended 30 September 2007 and 2006.

5. Dividends

A final dividend in respect of the year ended 31 March 2007 of HK7.9 cents per share, amounting to a total dividend of HK$34,096,000 was paid in July 2007.

The Directors have declared an interim dividend of HK3.1 cents (2006: HK 3.0 cents) per share, amounting to HK$13,380,000 (2006: HK$12,948,000), for the period.

6. Trade receivables

The Group grants an average credit period of 30 days to 90 days to its trade customers. The ageing analysis of trade receivables by due date is as follows:

	Unaudited 30 September 2007 HK$'000	Audited 31 March 2007 HK$'000
0 to 30 days	**115,730**	107,963
31 to 60 days	**33,160**	26,576
61 to 90 days	**18,088**	11,901
Over 90 days	**18,894**	10,945
Total	**185,872**	157,385
Less: provision for impairment of receivables	**(2,677)**	(2,414)
	183,195	154,971

7. Trade payables

The ageing analysis of trade payables is as follows:

	Unaudited 30 September 2007 HK$'000	Audited 31 March 2007 HK$'000
0 to 30 days	**25,200**	24,034
31 to 60 days	**1,364**	768
61 to 90 days	**1,204**	453
Over 90 days	**1,480**	244
	29,248	25,499

8. Share Capital

	Unaudited 30 September 2007 HK$'000	Audited 31 March 2007 HK$'000
Authorised:		
2,000,000,000 shares of HK$0.10 each	**200,000**	200,000
Issued and fully paid:		
431,600,000 shares of HK$0.10 each	**43,160**	43,160

MANAGEMENT DISCUSSION AND ANALYSIS

General

The Group had achieved good results for the first six months of the financial year 2007/08, both in terms of turnover and profitability. The three major business segments of the Group, which are publishing and multimedia, financial news agency, information and solutions and recruitment advertising and training, all registered double digit growth.

Turnover

Turnover for the six months ended 30 September 2007 reached HK$455 million, an increase of HK$55 million or 14% over the same period last year.

Advertising income increased by 9% over the same period last year to HK$299 million. The strong local economy, increased consumer confidence and booming stock market fuelled the increase. The Group is also reaping the benefit from the investments in *Take me Home*, a free community newspaper launched in August 2005, and *U Magazine*, a paid lifestyle and leisure weekly magazine, in December 2005. The two publications enabled the Group to reach new readers and advertisers, thus enlarging the Group's share of advertising spending.

Circulation income increased by 18% over the same period last year to HK$71 million. The increased circulation of *Hong Kong Economic Times* and the growing popularity of *U Magazine* led to the increase.

Service income from the financial news agency, information and solutions segment benefited from the buoyant financial market and increased by 19% over the corresponding period in 2006 to HK$75 million.

Operating Costs

The Group exercised tight control over its operating costs. Gross profit margin for the six months ended 30 September 2007 improved from 42.5% in the corresponding period in 2006 to 44.1%.

Staff costs rose by 12% over the same period last year. The rise was mainly due to increased headcount to prepare for the launch of a new financial weekly magazine, *iMoney*, and general business expansion. The Group's dedicated staff was the Group's biggest asset and key to the Group's success. In order to attract and retain talented staff, discretionary bonus was made corresponding to their contribution to the Group. In-house training and development were also provided to staff.

Newsprint prices dropped moderately as compared with the corresponding period in 2006. However the increased circulation and advertising volume of *Hong Kong Economic Times* and *Take me Home* boosted newsprint consumption resulting in newsprint costs increasing by 2%.

Profit for the Period

Net profit for the period attained HK$69 million, representing an increase of HK$13 million or 23% as compared to HK$56 million in the same period last year.

Net profit margin for the six months ended 30 September 2007 at 15.2% was better than the 14.1% in the corresponding period in 2006. The improvement was due to the growth in revenue and at the same time maintaining an efficient cost structure.

Liquidity and Capital Resources

(in HK$ million)	**As at 30 September 2007**	As at 31 March 2007
Net current assets	**285.5**	271.4
Cash and cash equivalents	**238.3**	230.0
Equity holders' fund	**568.9**	534.0
Current ratio	**2.59**	2.82 times

The Group's net current assets as at 30 September 2007 was HK$285.5 million, an increase of HK$14.1 million as compared to the position as at 31 March 2007. The increase was mainly due to the increase in cash and cash equivalents of HK$8.3 million. The Group had no borrowing as at 30 September 2007.

All cash and cash equivalents were denominated in Hong Kong dollars. Any surplus cash was placed under short-term deposits with banks in Hong Kong.

OUTLOOK

The Group launched a new financial weekly magazine, *iMoney*, on 27 October 2007. Initial responses from readers and advertisers are very encouraging. This new publication, together with the investments in *Take me Home* and *U Magazine*, which were launched about 2 years ago, will put pressure on the costs of the Group in the short term. The loss of announcement revenue from 25 June 2007 will also impede the growth of advertising revenue. The recruitment advertising and training segment also encountered fierce competition, thus reducing profit margin. There may be a consolidation period of about one year before the negative impacts of these factors will be fully absorbed by growth in other business areas.

The robust local and Mainland economy and the keen interests in the stock market which we saw in the first half of this financial year are expected to continue into the second half of the year. With a well-diversified portfolio of quality products with leadership position, covering both print and non-print, financial and non-financial, and a strong customer base, the Group is well positioned to capture the opportunities lying ahead. Supported by a healthy cash flow, the Group is looking for new investment opportunities along our core business directions, namely finance, property, human resources, education and lifestyle. The medium term prospect of the Group remains to be optimistic.

EMPLOYEES

As at 30 September 2007, the Group had 1,330 employees (30 September 2006: 1,253 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.

INTERIM DIVIDEND

The Directors have declared an interim dividend of HK3.1 cents (2006: HK3.0 cents) per share, amounting to HK$13,380,000 (2006: HK$12,948,000), payable on 12 December 2007 to shareholders whose names appear on the Register of Members of the Company on 4 December 2007.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 5 December 2007 to 7 December 2007, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim 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 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 4 December 2007.

DIRECTORS

The following persons were Directors of the Company as at the date of this announcement:

Executive Directors

Mr. FUNG Siu Por, Lawrence
(Chairman)
Mr. MAK Ping Leung
(alias: Mr. MAK Wah Cheung)
Mr. CHAN Cho Biu
Mr. SHEK Kang Chuen
Ms. SEE Sau Mei Salome
Mr. CHAN Wa Pong

Non-executive Director

Mr. CHU Yu Lun

Independent Non-executive Directors

Mr. CHAN Mo Po, Paul
Mr. CHOW On Kiu
Mr. LO Foo Cheung

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the six months ended 30 September 2007.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices (the "Code Provisions") contained in Appendix 14 of the Listing Rules except as stated below.

Under Code A.2.1 of the Code Provisions, the role of Chairman and Chief Executive Officer ("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 the 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. All Directors of the Company have confirmed their compliance with the required standard set out in the Model Code regarding directors' securities transactions throughout the six months period ended 30 September 2007.

AUDIT COMMITTEE

The Company established an Audit Committee on 29 April 2005 with written terms of reference. The Audit Committee comprises three Independent Non-executive Directors, Mr Chan Mo Po, Paul as Committee Chairman, Mr. Chow On Kiu and Mr. Lo Foo Cheung. The Audit Committee met twice in the six months period ended 30 September 2007. The Group's unaudited interim results for the six months ended 30 September 2007 has been reviewed by the Audit Committee.

REMUNERATION COMMITTEE

The Company established a Remuneration Committee on 29 April 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 Mr. Chow On Kiu. The Remuneration Committee intends to meet twice a year.

NOMINATION COMMITTEE

The Company established a Nomination Committee on 29 April 2005 with written terms of reference. The Nomination Committee comprises Non-executive Director, Mr. Chu Yu Lun and two Independent Non-executive Directors, Mr. Chow On Kiu as Committee Chairman and Mr. Chan Mo Po, Paul. The Nomination Committee intends to meet twice a year.

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

Hong Kong, 19 November 2007

This announcement is also published on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk and the Company's website at www.hketgroup.com and http://hketgroup.etnet.com.hk. The Group's Interim Report 2007/2008 containing all the information required by the Listing Rules will be dispatched to shareholders and published on the above websites in due course.

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, Ms. See Sau Mei Salome and Mr. Chan Wa Pong; (b) Non-executive Director: Mr. Chu Yu Lun; and (c) Independent Non-executive Directors: Mr. Chan Mo Po, Paul, Mr. Chow On Kiu and Mr. Lo Foo Cheung.