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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008

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 2008 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	**Unaudited For the six months ended 30 September 2008 HK$'000**	2007 HK$'000
Turnover	*2*	**478,796**	455,422
Cost of sales		**(276,782)**	(254,605)
Gross profit		**202,014**	200,817
Other revenues		**2,526**	4,729
Selling and distribution expenses		**(74,367)**	(59,559)
General and administrative expenses		**(70,250)**	(61,943)
Profit before income tax		**59,923**	84,044
Income tax expense	*3*	**(8,112)**	(14,618)
Profit for the period		**51,811**	69,426
Attributable to:			
Equity holders of the Company		**51,081**	69,019
Minority interests		**730**	407
		51,811	69,426
Earnings per share for profit attributable to equity holders of the Company (expressed in HK cents)			
Basic and diluted	*4*	**11.84**	15.99
Dividends	*5*	**13,380**	13,380

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**Unaudited As at 30 September 2008 HK$'000**	Audited As at 31 March 2008 HK$'000
Non-current assets			
Intangible assets		**29,282**	29,781
Property, plant and equipment		**203,188**	207,914
Lease premium for land		**74,084**	74,168
Held-to-maturity investments		**3,983**	–
Deferred income tax assets		**9**	12
		310,546	311,875
Current assets			
Inventories		**47,577**	34,007
Trade receivables	6	**163,541**	177,316
Deposits, prepayments and other receivables		**21,791**	17,624
Tax recoverable		**–**	2,598
Pledged time deposits		**5,449**	5,393
Cash and cash equivalents		**288,155**	302,270
		526,513	539,208
Current liabilities			
Trade payables	7	**38,397**	39,903
Fees in advance		**59,373**	62,915
Accruals and other payables		**75,542**	98,246
Current income tax liabilities		**8,660**	3,053
		181,972	204,117
Net current assets		**344,541**	335,091
Total assets less current liabilities		**655,087**	646,966

CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

	Note	**Unaudited As at 30 September 2008 HK$'000**	Audited As at 31 March 2008 HK$'000
Financed by:			
Share capital	*8*	**43,160**	43,160
Reserves			
Proposed final dividend		**–**	43,592
Proposed interim dividend		**13,380**	–
Others		**569,958**	532,257
Equity holders' funds		**626,498**	619,009
Minority interests		**2,653**	1,923
Total equity		**629,151**	620,932
Non-current liabilities			
Deferred income tax liabilities		**25,936**	26,034
Total equity and non-current liabilities		**655,087**	646,966

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED

	Attributable to equity holders of the Company							
	Share capital HK$'000	**Share premium** HK$'000	**Merger reserve** HK$'000	**Capital reserve** HK$'000	**Retained earnings** HK$'000	**Total** HK$'000	**Minority Interests** HK$'000	**Total equity** HK$'000
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 dividend 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
Balance at 1 April 2008	43,160	122,381	69,944	6,120	377,404	619,009	1,923	620,932
Profit for the period	–	–	–	–	51,081	51,081	730	51,811
Final dividend paid to equity holders of the Company *(note 5)*	–	–	–	–	(43,592)	(43,592)	–	(43,592)
Balance at 30 September 2008	43,160	122,381	69,944	6,120	384,893	626,498	2,653	629,151

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six months period ended 30 September 2008

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 2008 annual financial statements, which have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA.

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 2008.

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 2008. The Group has carried out an assessment of these standards, amendments and interpretations and considered that they have no significant impact on this unaudited condensed interim financial information.

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 2008 are as follows:

	Unaudited For the six months ended 30 September											
	Printed media		Financial news agency, information and solutions		Recruitment advertising and training		Internet portal and e-commerce		Corporate		Total	
	2008 HK$'000	2007 HK$'000	**2008 HK$'000**	2007 HK$'000	**2008 HK$'000**	2007 HK$'000	**2008 HK$'000**	2007 HK$'000	**2008 HK$'000**	2007 HK$'000	**2008 HK$'000**	2007 HK$'000
Turnover, gross	**338,342**	338,092	**98,127**	78,151	**46,266**	44,302	**863**	–	**–**	–	**483,598**	460,545
Inter-segment transactions	**(4,192)**	(4,606)	**(559)**	(501)	**(51)**	(16)	**–**	–	**–**	–	**(4,802)**	(5,123)
Turnover, net	**334,150**	333,486	**97,568**	77,650	**46,215**	44,286	**863**	–	**–**	–	**478,796**	455,422
Segment results and profit before income tax	**26,823**	51,190	**24,534**	14,775	**11,220**	14,976	**(4,361)**	–	**1,707**	3,103	**59,923**	84,044
Income tax expense											**(8,112)**	(14,618)
Profit for the period											**51,811**	69,426
Attributable to:												
Equity holders of the Company											**51,081**	69,019
Minority interests											**730**	407
											51,811	69,426

3. Income tax expense

Hong Kong profits tax has been provided at a rate of 16.5% (2007: 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 2008 HK$'000	2007 HK$'000
Hong Kong profits tax	**8,207**	11,968
Deferred taxation relating to the origination and reversal of temporary differences	**(95)**	2,650
	8,112	14,618

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$51,081,000 (2007: HK$69,019,000) and number of 431,600,000 shares (2007: 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 period ended 30 September 2008 (2007: same).

5. Dividends

A final dividend in respect of the year ended 31 March 2008 of HK10.1 cents per share, amounting to a total dividend of HK$43,592,000 was paid in July 2008.

The Directors have declared an interim dividend of HK3.1 cents (2007: HK3.1 cents) per share, amounting to HK$13,380,000 (2007: HK$13,380,000), 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 overdue date is as follows:

	Unaudited 30 September 2008 HK$'000	Audited 31 March 2008 HK$'000
0 to 30 days	**94,621**	109,439
31 to 60 days	**32,102**	32,868
61 to 90 days	**21,294**	14,199
Over 90 days	**19,859**	23,574
Trade receivables, gross	**167,876**	180,080
Less: provision for impairment of receivables	**(4,335)**	(2,764)
	163,541	177,316

7. Trade payables

The ageing analysis of trade payables is as follows:

	Unaudited 30 September 2008 HK$'000	Audited 31 March 2008 HK$'000
0 to 30 days	**31,341**	34,896
31 to 60 days	**5,995**	4,169
61 to 90 days	**775**	156
Over 90 days	**286**	682
	38,397	39,903

8. Share Capital

	Unaudited 30 September 2008 HK$'000	Audited 31 March 2008 HK$'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 achieved revenue growth in the first half of the financial year 2008/09 despite the full adverse impact of the revenue reduction in announcement advertisements after the abolition of the mandatory requirements by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in June 2007. The good results of the financial news agency, information and solutions segment during the period under review make useful contribution to the Group's half year results. The Group also started to reap the benefits from the investment in *iMoney*, a new financial weekly magazine launched in October 2007 and *U Magazine*, a lifestyle and leisure magazine launched in December 2005. This further demonstrated the success of the Group's business diversification strategy and its continued effort to provide premium quality products to readers and customers.

Turnover

The Group's turnover for the first half of the financial year 2008/09 was HK$479 million, an increase of HK$23 million or 5% as compared to the same period last year.

Advertising income was HK$292 million or 2% below the same period last year. Despite the significant decrease of announcement advertisements revenue after the abolition of mandatory requirements to publish announcement advertisements in newspapers in June 2007 and the reduction of initial public offering activities in the first half of the year, the growth of advertising income from the magazines offset most of the shortfall in newspaper's announcement advertisements.

Circulation income registered growth of 8% to HK$76 million as compared to the same period last year, which was mainly due to the launch of *iMoney* in October 2007. The growing popularity of *U Magazine* and the increase of its cover price in March 2008 also led to the increase.

Service income surged by 30% to HK$98 million from the same period last year. The financial news agency, information and solutions segment, benefited from the active financial market and market demand of real-time financial information.

Operating Costs

The Group exercised tight control over its operating costs. Gross profit margin for the first half of the financial year 2008/09 was 42.2% as compared to 44.1% in the corresponding period in 2007.

Staff costs, representing approximately 45% of the Group's total operating costs as compared to 48% for the first half of 2007, rose by 7% over the same period last year. The increase was mainly attributable to the general pay rise and the increase in headcount to support Group's internet portal and e-commerce business development, and general business expansion. The new publication, *iMoney*, also contributed to the increase in staff costs.

Newsprint costs dropped by 10% over the same period last year. It represented 12% of the Group's total operating costs as compared to 15% for the six months ended 30 September 2007. The decrease was the result of effective control in both newsprint consumption volume and materials sourcing.

Outsourced printing costs increased by 18% over the corresponding period in 2007. This was mainly due to the launch of *iMoney* in October 2007.

Profit Attributable to Equity Holders

Net profit for the period attained HK$51 million, representing a decrease of HK$18 million or 26% as compared to HK$69 million in the same period last year.

Net profit margin for the six months ended 30 September 2008 was 10.7%. This was lower than the 15.2% in the corresponding period in 2007. The decreased margin was due to investments in new publication and internet portal and e-commerce business development, which necessitated increased expenditure in production, selling, distribution and payroll as well as outsourced printing costs as mentioned in paragraphs headed "Operating Costs" above.

Liquidity and Capital Resources

(in HK$ million)	**As at 30 September 2008**	As at 31 March 2008
Net current assets	**344.5**	335.1
Cash and cash equivalents	**288.2**	302.3
Equity holders' fund	**626.5**	619.0
Current ratio	**2.89 times**	2.64 times

The Group's net current assets as at 30 September 2008 was HK$344.5 million, an increase of HK$9.4 million from the position as at 31 March 2008. The increase was mainly due to the decrease in accruals and other payables of HK$22.7 million.

Cash and cash equivalents decreased from HK$302.3 million as at 31 March 2008 to HK$288.2 million as at 30 September 2008. The decrease was attributable to the payment of final dividend for the financial year 2007/08 amounting to HK$43.6 million in July 2008.

The Group had no borrowing as at 30 September 2008. Any surplus cash was placed under short-term deposits with banks in Hong Kong.

OUTLOOK

After experiencing double-digit growth in both turnover and net profit over the last five years, the Group is feeling the effect of economic slowdown and the reduction in announcement advertisements after the abolition of the mandatory requirements by the Stock Exchange. The financial tsunami spreading around the world created uncertainties and increased difficulties in our operating environment. The sluggish financial and property market also presented challenges to the Group.

The Group will continue to review and improve its cost structure and impose effective cost control measures. Backed by healthy cash flow, the Group's stable financial position makes it well placed to meet challenges ahead.

The Group will continue to invest in the existing businesses to enhance their respective leadership positions in the markets, which we believe will benefit the Group in the long run.

EMPLOYEES

As at 30 September 2008, the Group had 1,423 employees (30 September 2007: 1,330 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 (2007: HK3.1 cents) per share, amounting to HK$13,380,000 (2007: HK$13,380,000), payable on 10 December 2008 to shareholders whose names appear on the Register of Members of the Company on 2 December 2008.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 3 December 2008 to 5 December 2008, 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 2 December 2008.

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 2008.

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 (the "Model Code"). 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 2008.

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 intends to meet twice a year. The Group's unaudited interim results for the six months ended 30 September 2008 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.

By Order of the Board
Hong Kong Economic Times Holdings Limited
Chan Wa Pong
Executive Director

Hong Kong, 17 November 2008

This announcement is also published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company's website at www.hketgroup.com. The Group's Interim Report 2008/2009 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.