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 2009

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 2009 as follows:

CONSOLIDATED INCOME STATEMENT

	Note	Year ended 31 March 2009 HK$'000	 2008 HK$'000
Turnover	2	841,435	946,056
Cost of sales	3	(512,002)	(537,083)
Gross profit		329,433	408,973
Other revenue		156	88
Selling and distribution expenses	3	(123,081)	(126,798)
General and administrative expenses	3	(137,385)	(130,312)
Operating profit		69,123	151,951
Finance income		5,600	9,031
Profit before income tax		74,723	160,982
Income tax expense	4	(11,210)	(27,414)
Profit for the year		63,513	133,568
Attributable to:			
Equity holders of the Company		62,038	132,526
Minority interests		1,475	1,042
		63,513	133,568
Earnings per share for profit attributable to equity holders of the Company (expressed in HK cents)			
Basic and diluted	5	14.37	30.71
Dividends	6	37,118	56,972

CONSOLIDATED BALANCE SHEET

	Note	As at 31 March **2009** HK$'000	**2008** HK$'000
Non-current assets			
Intangible assets		28,783	29,781
Property, plant and equipment		190,987	207,914
Lease premium for land		70,715	74,168
Investment property		4,715	–
Held-to-maturity investments		3,966	–
Deferred income tax assets		18	12
		299,184	311,875
Current assets			
Inventories		38,556	34,007
Trade receivables	7	95,906	177,316
Deposits, prepayments and other receivables		21,045	17,624
Tax recoverable		4,547	2,598
Pledged time deposits		5,512	5,393
Term deposits with original maturities of over three months		284,042	–
Cash and cash equivalents		63,207	302,270
		512,815	539,208
Current liabilities			
Trade payables	8	25,010	39,903
Fees in advance		61,381	62,915
Accruals and other payables		70,188	98,246
Current income tax liabilities		3,688	3,053
		160,267	204,117
Net current assets		352,548	335,091
Total assets less current liabilities		651,732	646,966
Financed by:			
Share capital		43,160	43,160
Reserves			
Proposed final dividends		23,738	43,592
Others		557,177	532,257
Equity holders' funds		624,075	619,009
Minority interests		3,398	1,923
Total equity		627,473	620,932
Non-current liabilities			
Deferred income tax liabilities		24,259	26,034
Total equity and non-current liabilities		651,732	646,966

1. Basis of Preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under historical cost convention.

(a) New standard, amendment to existing standard and interpretations effective in year 2009

The following new standard, amendment to standard and interpretations are relevant to the Group and are mandatory for the financial year ended 31 March 2009:

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the above new standard, amendment to existing standard and interpretations did not have a significant impact to the Group's financial statements and has not led to any changes in the Group's accounting policies.

(b) New/revised standards, amendments to existing standards and interpretations that are not yet effective and have not been early adopted by the Group

The following new/revised standards, amendments to existing standards and interpretations have been published and mandatory for accounting period beginning on or after 1 April 2009 or later periods, but the Group has not early adopted:

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 & HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKAS 39 (Amendments)	Financial Instruments : Recognition and Measurement – Embedded Derivatives
HKAS 39 (Amendments)	Financial Instruments : Recognition and Measurement – Eligible Hedged Items
HKFRS 1 (Revised)	First-time Adoption of HKFRS
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or an Associate
HKFRS 2 (Amendments)	Share-based Payment – Vesting Conditions and Cancellations
HKFRS 3 (Revised) and HKAS 27 (Revised)	Business Combinations and Consolidated and Separate Financial Statements
HKFRS 7 (Amendments)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments

HK(IFRIC) – Int 9 (Amendments)	Reassessment of Embedded Derivatives
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners
HK(IFRIC) – Int 18	Transfers of Assets from Customers
Various	HKICPA's improvements to HKFRSs

Management is in the process of making an assessment of their impact and is not yet in a position to state what impact they would have on the Group's results of operations and financial positions.

2. Turnover and 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. At 31 March 2009, the Group is organised into four main business segments:

(1) Printed media

(2) Financial news agency, information and solutions

(3) Recruitment advertising and training

(4) Lifestyle portals

Turnover comprises the advertising income, circulation income, service income and enrolment income.

An analysis of the Group's turnover for the year is as follows:

	2009 HK$'000	**2008** HK$'000
Turnover		
Advertising income	479,759	598,449
Circulation income	150,985	154,008
Service income	192,153	172,977
Enrolment income	18,538	20,622
	841,435	946,056

The segment results, capital expenditure and other items in the consolidated income statement for the year ended 31 March 2009, and segment assets and liabilities as at 31 March 2009 are as follows:

	Year ended 31 March											
	Printed media		Financial news agency, information and solutions		Recruitment advertising and training		Lifestyle portals Note (i)		Corporate		Total	
	2009 HK$'000	2008 HK$'000	2009 HK$'000	2008 HK$'000	2009 HK$'000	2008 HK$'000	2009 HK$'000	2008 HK$'000	2009 HK$'000	2008 HK$'000	2009 HK$'000	2008 HK$'000
REVENUE												
Turnover, gross	585,778	696,221	193,923	173,367	67,135	86,446	2,963	–	–	–	849,799	956,034
Inter-segment transactions	(6,949)	(8,680)	(1,239)	(1,266)	(164)	(32)	(12)	–	–	–	(8,364)	(9,978)
Turnover, net	578,829	687,541	192,684	172,101	66,971	86,414	2,951	–	–	–	841,435	946,056
RESULT												
Operating profit/ (loss)	18,151	89,395	51,104	36,989	11,578	25,598	(10,768)	–	(942)	(31)	69,123	151,951
Finance income											5,600	9,031
Profit before income tax											74,723	160,982
Income tax expense											(11,210)	(27,414)
Profit for the year											63,513	133,568
Attributable to:												
Equity holders of the Company											62,038	132,526
Minority interests											1,475	1,042
											63,513	133,568
SEGMENT ASSETS	668,236	477,335	64,177	70,279	37,529	46,337	3,887	–	38,170	257,132	811,999	851,083
SEGMENT LIABILITIES	82,283	116,569	62,072	69,477	10,427	14,363	1,156	–	28,588	29,742	184,526	230,151
OTHER INFORMATION												
Capital expenditure	7,047	48,480	4,882	9,735	1,172	1,425	1,501	–	–	–	14,602	59,640
Depreciation of property, plant and equipment and investment property	24,516	23,729	3,725	3,521	1,219	978	438	–	–	–	29,898	28,228
Amortisation of lease premium for land and contractual customer relationships	162	146	1,003	755	–	–	–	–	–	–	1,165	901
(Reversal of)/ provision for impairment of receivables and obsolete inventories	867	573	898	412	4	(60)	–	–	–	–	1,769	925

Note (i) Comparative figures had not been reclassified under the lifestyle portals segment in view of insignificant amounts and balances.

3. Expenses by Nature

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

	2009 HK$'000	2008 HK$'000
Crediting		
Gain on disposal of property, plant and equipment	25	38
Charging		
Amortisation of contractual customer relationships	998	749
Amortisation of lease premium for land	167	152
Auditors' remuneration	2,100	2,178
Bad debts written off	723	312
Depreciation of property, plant and equipment and investment property	29,898	28,228
Operating lease rentals on land and buildings	17,111	10,058
Provision for impairment of receivables	908	352
Provision for obsolete inventories	861	573
Staff costs	360,739	367,914

4. Income Tax Expense

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 17.5%) on the estimated assessable profits for the year. No provision for People's Republic of China ("PRC") enterprise income tax has been made as there is no PRC estimated assessable income generated by the Group during the year.

	2009 HK$'000	2008 HK$'000
Current income tax		
Hong Kong profits tax	13,196	20,412
(Over)/under-provisions in prior years	(205)	10
Total current income tax	12,991	20,422
Deferred income tax		
Original and reversal of temporary difference	(295)	6,992
Impact of change in Hong Kong profits tax rate	(1,486)	–
Total deferred income tax	(1,781)	6,992
Income tax expense	11,210	27,414

5. Earnings per share

The calculation of basic earnings per share for current year is based on profit attributable to equity holders of the Company of HK$62,038,000 (2008: HK$132,526,000) and number of 431,600,000 shares (2008: 431,600,000 shares) in issue during the year.

No diluted earnings per share was presented as there were no dilutive potential ordinary shares during the year ended 31 March 2009 (2008: Same).

6. Dividends

	2009 HK$'000	**2008** HK$'000
Dividends attributable to the year		
Interim dividend paid of HK 3.1 cents (2008: HK 3.1 cents) per ordinary share	13,380	13,380
Proposed final dividend of HK 5.5 cents (2008: HK 10.1 cents) per ordinary share	23,738	43,592
	37,118	56,972
Dividends paid during the year	56,972	47,476

A final dividend in respect of the year ended 31 March 2009 of HK 5.5 cents per share, amounting to a total dividend of HK$23,738,000 is to be proposed at the annual general meeting on 4 August 2009. This proposed dividend is not reflected as a dividend payable in the consolidated balance sheet, but will be reflected as an appropriation of retained earnings.

7. Trade receivables

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

	2009 HK$'000	**2008** HK$'000
0 to 30 days	57,982	109,439
31 to 60 days	15,997	32,868
61 to 90 days	9,157	14,199
Over 90 days	16,360	23,574
Trade receivables, gross	99,496	180,080
Less: provision for impairment of receivables	(3,590)	(2,764)
	95,906	177,316

8. Trade payables

An ageing analysis of trade payables is as follows:

	2009 HK$'000	**2008** HK$'000
0 to 30 days	21,393	34,896
31 to 60 days	1,664	4,169
61 to 90 days	1,606	156
Over 90 days	347	682
	25,010	39,903

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The year 2008/09 was a difficult year for most businesses in Hong Kong. With the worsening of global financial crisis in the second half of the financial year, many of the world's economies, including Hong Kong, experienced contraction. The Group's turnover and results, as is the case of many Hong Kong companies, were adversely affected by the economic downturn in the second half of the financial year. The Group's turnover and net profit reported a decrease of 11% and 53% respectively as compared to 2007/08, the first yearly decline after four years of double-digit growth in turnover and net profit.

The printed media segment was affected by the economic downturn. Market advertising spending in newspapers dropped significantly in the second half of 2008/09. However, the Group's two magazine titles, *U Magazine*, a lifestyle and leisure magazine launched in December 2005 and *iMoney*, a financial weekly magazine launched in October 2007 performed well and made positive contribution to the Group's turnover and net profit. The weekly community newspaper *Take me Home* also made good progress as planned. With these factors, together with the full year impact of revenue reduction in announcement advertisements after the abolition of the mandatory requirement by the Hong Kong Stock Exchange in June 2007, the segment turnover and operating profit recorded a decrease of 16% and 80% respectively, as compared to 2007/08.

The financial news agency, information and solutions segment, continued its growth by providing quality and comprehensive range of products, services, content and solutions to the professional markets. This segment made a remarkable growth in turnover and operating profit of 12% and 38% respectively, as compared to the previous financial year.

As a result of the financial crisis in the second half of 2008/09, companies cut back staff recruitment and training activities, and the revenue and operating profit of the recruitment advertising and training segment dropped by 22% and 55% respectively, as compared to 2007/08.

To meet the challenges and to embrace the opportunities arising from internet, the Group, leveraging on its existing resources and competitive advantages, invested in three lifestyle portals on food, travel and health by providing valuable information and services to our readers and customers.

The Board of Directors and management team of the Group are committed to continue their efforts in enhancing the leadership positions of the existing businesses in their respective industries for the long-term benefit of shareholders while at the same time imposing effective cost control measures in this volatile economic environment.

Turnover

Advertising income for the year ended 31 March 2009 was HK$479.8 million, a decrease of 20% as compared to the year ended 31 March 2008. The decline was mainly attributable to the decrease of display advertisements and recruitment activities in the latter part of the financial year, the full year impact of revenue reduction in announcement advertisements following the change in the Listing Rules in June 2007 and the reduction in the number of initial public offering activities.

The circulation income remained relatively stable with a small drop of 2% over last financial year.

Service income for the year ended 31 March 2009 was HK$192.2 million, which was a record high and was 11% more than financial year 2007/08. With continuous efforts in deploying our quality content in different products and platforms within different markets, the financial news agency, information and solutions segment successfully broadened its customer base as well as revenue sources.

Enrolment income was HK$18.5 million, which was 10% lower than the previous financial year. The decrease was owing to the reduction of training activities of companies in the wake of global financial turmoil.

Operating Costs

Gross profit margin for the year ended 31 March 2009 attained 39.2%, a decrease of 4.0 percentage points, compared with previous financial year's 43.2%.

Staff costs, being the largest single item of operating cost of the Group, decreased slightly by 2% as compared to the year ended 31 March 2008 and representing approximately 47% of Group's total operating costs, which was similar to last financial year's 46%. The decrease in staff costs was mainly due to reorganization of resources within the Group.

Newsprint costs, constituting around 12% of the Group's total operating costs for the year ended 31 March 2009 as compared to 14% for the year ended 31 March 2008, registered a decrease of 14% against last financial year. The decrease in costs was the result of effective production control in consumption and cost control in material sourcing.

Outsourced printing costs decreased by 8% as compared to the year ended 31 March 2008. The decrease was owing to effective cost control.

The Group shall continue to review its cost structure and impose tight control measures over its operating costs and at the same time, improve its operational efficiency.

Income Tax Expense

The lower operating profit for the year together with a change in profits tax rate from 17.5% to 16.5% reduced tax expenses by 59%. The Group's effective tax rate for the year under review was approximately 15% of the profit before income tax.

Profit Attributable to Equity Holders

Profit attributable to equity holders was down by 53% to HK$62.0 million with net profit margin dropped to 7.4% as compared to the 14.0% for the year ended 31 March 2008. The drop was mainly due to the significant reduction in advertising income in the second half of the financial year, the full year impact of revenue reduction in announcement advertisements following the change in the Listing Rules in June 2007 and the investment in the lifestyle portals segment in the year under review.

The new investment in lifestyle portals will exert pressure on the Group's net profit, but the Group believes that the investment will benefit the Group and shareholders as a whole in the long run.

Liquidity and Capital Resources

(in HK$ million)	As at 31 March 2009	 2008
Net current assets	352.5	335.1
Term deposits and cash and cash equivalents	347.2	302.3
Equity holders' fund	624.1	619.0
Gearing ratio	–	–
Current ratio	3.20 times	2.64 times

The Group's net current assets as at 31 March 2009 increased by HK$17.5 million from the position as at 31 March 2008 after taking into account of the distribution of the final dividend declared for the financial year ended 31 March 2008 and interim dividend for the six months period ended 30 September 2008 amounting to a total of HK$57.0 million. The increase was owing to net cash inflow from the Group's continuous profitable operation.

Net cash outflow from investing activities increased by HK$246.1 million during the year under review was due to the increase of term deposits with original maturities of over three months amounting to HK$284.0 million.

The Group had no gearing as at 31 March 2009. Current ratio improved from 2.64 times to 3.20 times. As at 31 March 2009, the Group had a cash balance of HK$347.2 million as compared to HK$302.3 million as at 31 March 2008. The cash was placed under short-term deposits with banks in Hong Kong and was held predominately in Hong Kong dollars, hence the Group had no significant 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 Group will continue to focus on our core business domains in finance, property, human resources, education and lifestyle which we believe will lay a strong foundation for the Group. Leveraging our competitive advantages including well-established strong brand, a wide network of customer reach, teams of competent, creative and passionate staff, well diversified and balanced portfolio of products and services and solid business foundation, the Group will continue to deploy resources to reinforce the leadership positions of the existing business units in their respective industries by enlarging their market share and at the same time broadening their customer base and revenue sources. The Group will also identify and invest in other lifestyle portals which will create additional synergistic values to the Group in the long run.

The unfavorable economic environment will continue to affect the Group's performance in the coming years. As the economic turmoil further unfolds, more challenges will emerge. The Group will continue to adhere to strict financial discipline in managing its existing businesses and adopt cautious and prudent approach in assessing new investment opportunities. Backed by the Group's solid financial position, healthy cash flow and strong management team, we are confident that the Group is well positioned to meet the challenges ahead and will take full advantages of the upturn when it comes.

EMPLOYEES

As at 31 March 2009, the Group had 1,221 employees (31 March 2008: 1,377 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.

DIVIDEND

The Directors recommend a payment from the distributable reserves of the Company a final dividend of HK 5.5 cents per share in respect of the year ended 31 March 2009 to the shareholders whose names appear on the register of members of the Company at the close of business on 29 July 2009, amounting to HK$23,738,000. The final dividend, payable on 6 August 2009, is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be held on 4 August 2009.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 30 July 2009 to 4 August 2009, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividends, and be eligible to attend and vote at the forthcoming annual general meeting of the Company, 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 29 July 2009.

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 CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (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 2009 except as stated and explained below.

Under Code A.2.1 of the Code Provisions, the roles 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 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

All Directors of the Company have confirmed their compliance with the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules throughout the year ended 31 March 2009.

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 has reviewed the Group's audited final results for the year ended 31 March 2009.

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.

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.

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

Hong Kong, 22 June 2009

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 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 announcement, the Board comprises: (a) the 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) the Non-executive Director: Mr. Chu Yu Lun; and (c) the Independent Non-executive Directors: Mr. Chan Mo Po, Paul, Mr. Chow On Kiu and Mr. Lo Foo Cheung.