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 2013

The Directors of Hong Kong Economic Times Holdings Limited (the "Company") announce the audited consolidated final results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2013 as follows:

CONSOLIDATED INCOME STATEMENT

		Year ended 31 March	
		2013	2012
	Note	***HK$'000***	*HK$'000*
Revenue	2	**1,032,818**	1,006,027
Cost of sales	3	**(711,966)**	(619,150)
Gross profit		**320,852**	386,877
Selling and distribution expenses	3	**(160,370)**	(148,025)
General and administrative expenses	3	**(174,128)**	(157,854)
Other income		**556**	7,556
Gain on disposal of a property		**68,401**	–
Operating profit		**55,311**	88,554
Finance income		**2,698**	4,050
Finance costs		**(2,720)**	–
Finance (costs)/income – net		**(22)**	4,050
Profit before income tax		**55,289**	92,604
Income tax credit/(expense)	4	**8,031**	(15,087)
Profit for the year		**63,320**	77,517
Profit attributable to:			
Owners of the Company		**61,992**	76,070
Non-controlling interests		**1,328**	1,447
		63,320	77,517
Earnings per share attributable to owners of the Company (expressed in HK cents)			
Basic and diluted	5	**14.36**	17.63

		Year ended 31 March	
		2013	2012
	Note	***HK$'000***	*HK$'000*
Dividends	6	**25,896**	37,981

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 March	
	2013	2012
	HK$'000	*HK$'000*
Profit for the year	**63,320**	77,517
Other comprehensive income:		
Change in value of available-for-sale financial assets	**2,415**	(1,560)
Currency translation differences arising from foreign operations	**23**	617
Other comprehensive income for the year, net of tax	**2,438**	(943)
Total comprehensive income for the year	**65,758**	76,574
Total comprehensive income attributable to:		
Owners of the Company	**64,430**	75,127
Non-controlling interests	**1,328**	1,447
	65,758	76,574

CONSOLIDATED BALANCE SHEET

	Note	As at 31 March **2013** *HK$'000*	2012 *HK$'000*
Non-current assets			
Intangible assets		**–**	250
Property, plant and equipment		**534,687**	526,746
Investment properties		**20,999**	8,570
Available-for-sale financial assets		**–**	14,221
Deferred income tax assets		**16,121**	3,665
Deposits paid for property, plant and equipment		**1,397**	11,696
		573,204	565,148
Current assets			
Inventories		**34,918**	50,177
Trade receivables	*7*	**201,262**	183,748
Deposits, prepayments and other receivables		**25,070**	24,276
Tax recoverable		**3,965**	4,518
Available-for-sale financial assets		**16,582**	–
Pledged deposits		**4,869**	64,810
Term deposits with original maturities of over three months		**60,923**	15,440
Cash and cash equivalents		**278,559**	167,922
		626,148	510,891
Current liabilities			
Trade payables	*8*	**40,689**	57,785
Fees in advance		**89,510**	89,300
Accruals, other payables and provisions		**119,197**	117,593
Current income tax liabilities		**3,396**	5,148
Bank borrowings	*9*	**24,432**	–
		277,224	269,826
Net current assets		**348,924**	241,065
Total assets less current liabilities		**922,128**	806,213
Equity attributable to owners of the Company			
Share capital		**43,160**	43,160
Reserves			
Proposed final dividend	*6*	**21,580**	25,033
Others		**727,521**	688,987
		792,261	757,180
Non-controlling interests		**7,281**	6,398
Total equity		**799,542**	763,578
Non-current liabilities			
Bank borrowings	*9*	**90,461**	–
Deferred income tax liabilities		**32,125**	42,635
		122,586	42,635
Total equity and non-current liabilities		**922,128**	806,213

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 March 2013

1. Basis of preparation and accounting policies

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants. The consolidated financial statements have been prepared under the historical cost convention, as modified by available-for-sale financial assets which have been stated at fair values.

Changes in presentation of the consolidated statement of comprehensive income

In previous years, the Group presented all items of income and expense recognised in a year in a single statement of comprehensive income.

During the year, the Directors performed a review of the content and presentation of the consolidated financial statements and considered that it is more appropriate to adopt the two-statement presentation comprising a separate consolidated income statement, which displays components of profit or loss; and a consolidated statement of comprehensive income, which begins with profit or loss and displays components of other comprehensive income, which would be more relevant to the understanding of users of the Group's consolidated financial statements.

Consequently, the presentation of the consolidated statement of comprehensive income for the year ended 31 March 2012 has been revised and the comparatives have been revised in order to conform with the presentation adopted in these consolidated financial statements. The changes in presentation of the consolidated statement of comprehensive income do not have any impact on the Group's profit for the year or the calculation of the Group's earnings per share.

Changes in accounting policy and disclosures

During the year, there have been a number of new or revised standards, amendments to standards and interpretations that have come into effect, for which the Group has adopted such at their respective effective dates. There are no HKFRS and interpretations that are effective for the first time for the financial year beginning on or after 1 April 2012 that would be expected to have a material impact on the Group.

The following new or revised standards and amendments to standards are relevant to the Group's operation but are not effective for the Group's financial year beginning 1 April 2012 and have not been early adopted in these consolidated financial statements:

		Effective for accounting period beginning on or after
HKAS 1 (Amendment)	Presentation of financial statements	1 July 2012
HKAS 19 (Amendment)	Employee benefits	1 January 2013
HKAS 27 (Revised 2011)	Separate financial statements	1 January 2013
HKAS 32 (Amendment)	Financial instruments: Presentation – Offsetting financial assets and financial liabilities	1 January 2014
HKFRS 7 (Amendment)	Financial instruments: Disclosures – Offsetting financial assets and financial liabilities	1 January 2013
HKFRS 9	Financial instruments	1 January 2015
HKFRS 10	Consolidated financial statements	1 January 2013
HKFRS 12	Disclosures of interests in other entities	1 January 2013
HKFRS 13	Fair value measurements	1 January 2013
Annual improvements 2011		1 January 2013

The Group has commenced the assessment of the impact of these new or revised standards and amendments to standards but is not yet in a position to state whether they would have a significant impact on the Group's consolidated financial statements.

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) Printed 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 portals 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:

	2013	2012
	HK$'000	*HK$'000*
Revenue		
Advertising income	**562,322**	558,141
Circulation income	**121,994**	135,666
Service income	**335,963**	295,202
Enrolment income	**12,539**	17,018
	1,032,818	1,006,027

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 2013 are as follows:

	Printed media		**Financial news agency, information and solutions**		**Recruitment advertising and training**		**Lifestyle portals**		**Corporate**		**Total**	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
	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	**743,011**	707,400	**233,698**	235,065	**43,188**	53,997	**20,349**	17,283	**–**	–	**1,040,246**	1,013,745
Inter-segment transactions	**(3,394)**	(4,424)	**(2,305)**	(2,728)	**(1,634)**	(523)	**(95)**	(43)	**–**	–	**(7,428)**	(7,718)
Revenue – from external customers	**739,617**	702,976	**231,393**	232,337	**41,554**	53,474	**20,254**	17,240	**–**	–	**1,032,818**	1,006,027
RESULTS												
Profit/(loss) for the year	**25,483**	33,692	**42,684**	43,786	**2,028**	7,251	**(7,712)**	(7,725)	**837**	513	**63,320**	77,517

For the year ended 31 March 2013, revenue of approximately HK$94,643,000 (2012: HK$95,589,000) is derived from a single external customer. The revenue is attributable to the printed media segment.

The Group is domiciled in Hong Kong. The revenue from external customers attributed to Hong Kong and other countries are HK$1,026,123,000 (2012: HK$999,776,000) and HK$6,695,000 (2012: HK$6,251,000), 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").

Gain on disposal of a property of HK$68,401,000 is included in the results of printed media segment for the year ended 31 March 2013 while excess of the acquirer's interest in the net fair value of the identifiable assets and liabilities acquired over the cost of the acquisition of approximately HK$7,461,000 is included in the results of printed media segment for the year ended 31 March 2012.

The total non-current assets other than available-for-sale financial assets and deferred income tax assets located in Hong Kong and other countries are HK$556,663,000 (2012: HK$546,883,000) and HK$420,000 (2012: HK$379,000), respectively.

3. Expenses by nature

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

	2013	2012
	HK$'000	*HK$'000*
Crediting		
Gain on disposal of plant and equipment and investment properties	**243**	12,006
Reversal of provision for impairment of trade receivables	**427**	445
Charging		
Cost of inventories sold or consumed in operation	**224,438**	158,476
Acquisition-related costs	**–**	1,918
Amortisation of contractual customer relationships	**250**	998
Auditors' remuneration	**2,601**	2,320
Bad debts written off	**533**	–
Depreciation of property, plant and equipment and investment properties	**48,193**	35,988
Inventories written off	**98**	46
Operating lease rentals on land and buildings	**20,424**	17,652
Provision for obsolete inventories	**461**	631
Staff costs including Directors' and CEO's remuneration	**464,751**	422,067

4. Income tax (credit)/expense

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profit for the year. No provision for the PRC enterprise income tax has been made as there is no PRC assessable income generated by the Group during the year.

	2013	2012
	HK$'000	*HK$'000*
Current income tax		
Current income tax on profits for the year	**11,511**	14,310
Under/(over)provisions in prior years	**3,424**	(111)
Total current income tax	**14,935**	14,199
Deferred income tax	**(22,966)**	888
Income tax (credit)/expense	**(8,031)**	15,087

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$61,992,000 (2012: HK$76,070,000) and number of 431,600,000 (2012: 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 2013 (2012: same).

6. Dividends

	2013	2012
	HK$'000	*HK$'000*
Dividends attributable to the year		
Interim dividend paid of HK 1.0 cents (2012: HK 3.0 cents) per ordinary share	**4,316**	12,948
Proposed final dividend of HK 5.0 cents (2012: HK 5.8 cents) per ordinary share	**21,580**	25,033
	25,896	37,981
Dividends paid during the year	**29,349**	90,204

A final dividend in respect of the year ended 31 March 2013 of HK 5.0 cents per ordinary share, amounting to a total dividend of HK$21,580,000, is to be proposed at the annual general meeting on 30 July 2013. This proposed dividend is not reflected as a dividend payable in the consolidated balance sheet, but is 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. The ageing analysis of trade receivables by overdue day is as follows:

	2013	2012
	HK$'000	*HK$'000*
0 to 30 days	**122,814**	116,231
31 to 60 days	**26,021**	26,607
61 to 90 days	**23,291**	15,684
Over 90 days	**32,256**	28,773
Trade receivables, gross	**204,382**	187,295
Less: provision for impairment of trade receivables	**(3,120)**	(3,547)
	201,262	183,748

8. Trade payables

The ageing analysis of trade payables is as follows:

	2013	2012
	HK$'000	*HK$'000*
0 to 30 days	**38,156**	54,412
31 to 60 days	**1,311**	2,461
61 to 90 days	**137**	317
Over 90 days	**1,085**	595
	40,689	57,785

9. Bank borrowings

An analysis of bank borrowings of the Group is as follows:

	2013
	HK$'000
Repayable within one year	**24,432**
Repayable between one and two years	**25,053**
Repayable between two and five years	**65,408**
Wholly repayable within five years	**114,893**

The carrying amounts of the floating rate bank borrowings are denominated in Hong Kong dollars and are secured by leasehold improvements, plant and machinery and machinery under installation under property, plant and equipment of the Group.

The bank borrowings are exposed to interest rate changes and the contractual repricing dates are 6 months or less at the balance sheet date. The effective interest rate of the bank borrowings at the balance sheet date was 2.45% (2012: nil).

The fair values of the non-current bank borrowings are estimated using discounted cash flow calculations based on the borrowing rate of 2.45% (2012: nil). The carrying amounts of current bank borrowings approximate their fair values, as the impact of discounting is not significant.

MANAGEMENT DISCUSSION AND ANALYSIS

Summary of Profit and Loss Account

	Year ended 31 March 2013 *HK$'000*	2012 *HK$'000*	% Change
Revenue	**1,032,818**	1,006,027	3%
Cost of sales	**(711,966)**	(619,150)	15%
Gross profit	**320,852**	386,877	-17%
Gross profit margin	**31.1%**	38.5%	
Selling and distribution expenses	**(160,370)**	(148,025)	8%
General and administrative expenses	**(174,128)**	(157,854)	10%
Other income	**556**	7,556	N/A
Gain on disposal of a property	**68,401**	–	N/A
Operating profit	**55,311**	88,554	-38%
Finance (costs)/income – net	**(22)**	4,050	N/A
Profit before income tax	**55,289**	92,604	-40%
Income tax credit/(expense)	**8,031**	(15,087)	N/A
Profit for the year	**63,320**	77,517	-18%
Non-controlling interests	**(1,328)**	(1,447)	-8%
Profit attributable to owners	**61,992**	76,070	-19%
Net profit margin	**6.1%**	7.7%	

General

Local media has gone through a bustle and hustle year 2012. The industry was undergoing transformation from traditional media to new digital versions. The industry was also thronged with news of acquisition, disposition and new investment. Our Group, with strong financial position and elite personnel stood rigid within the storm. The Group reacted proactively to the media transformation by increasing the investments in *Sky Post*, the Group's free Chinese daily launched on 27 July 2011, and internet-based businesses, including the portals of *etnet.com.hk*, *hket.com*, *CTgoodjobs.hk* and the Group's other lifestyle portals. The investments, in the near term will affect the Group's income performance, are for the best interest of our shareholders in the medium to longer term.

The Group's revenue for the financial year ended 31 March 2013 increased to HK$1,032.8 million, an increase of HK$26.8 million or 3%. Profit attributable to owners however, decreased by 19% from HK$76.1 million to HK$62.0 million.

Revenue

	Year ended 31 March		
	2013	2012	% Change
	HK$'000	*HK$'000*	
Revenue:			
Advertising income	**562,322**	558,141	1%
Circulation income	**121,994**	135,666	-10%
Service income	**335,963**	295,202	14%
Enrolment income	**12,539**	17,018	-26%
Total	**1,032,818**	1,006,027	3%

Advertising income for the year ended 31 March 2013 was HK$562.3 million, maintained at similar level as compared to the year ended 31 March 2012. Advertising income from paid publications decreased in line with the general advertising market trend. However, contribution from *Sky Post*, free daily of the Group, was able to offset the drop from paid publications. This demonstrated that the Group's entry to the free daily market was necessary to broaden the advertising income base of the Group. The Group also believes and is confident that the contribution from *Sky Post* will become increasingly significant in the coming financial years in view of the encouraging progress of *Sky Post*.

Circulation income decreased by 10% from HK$135.7 million for the year ended 31 March 2012 to HK$122.0 million for the financial year under review. Readers shifting to web versions and the emergence of free publications are drawing away the eyeballs of paid publications readers. The Group will continue to publish paid publications with distinct quality content to attract readers.

Service income for the year ended 31 March 2013 increased from HK$295.2 million to HK$336.0 million when compared with the preceding financial year. Revenue generated from financial news agency, information and solutions business remained significant. The magazines and books printing company acquired in the second half of the last financial year also contributed to the growth of the Group's service income.

Operating Costs

Gross profit margin for the year ended 31 March 2013 decreased by 7.4 percentage point to 31.1% from 38.5% in the year ended 31 March 2012. The decrease in gross profit margin was mainly due to the full year impact of the investment in *Sky Post* launched in end of July 2011 and the acquisition of a printing company in early November 2011.

Staff costs, representing approximately 44% of the Group's total operating costs, increased by 10% as compared to the year ended 31 March 2012. The increase was mainly due to general salary increment and full year impact of *Sky Post* and the printing company.

Newsprint costs, constituting around 12% of the Group's total operating costs, increased 9% as compared to the year ended 31 March 2012. The increase in newsprint costs was mainly due to the increase in consumption of the Group's free Chinese daily *Sky Post* as a result of the impact of full year publication and the increase of number of advertising pages.

Gain on Disposal of a Property

The Group has been reviewing the operation of its business units from time to time with a view to rationalise, re-deploy and utilise the Group's assets in a more efficient manner. The Group owned several printing factory facilities located at different sites. On 26 March 2013, the Group disposed of one of its printing plants after relocating its printing machineries to the Group's other printing locations. The disposal resulted in a gain of HK$68.4 million. Sales proceeds from the disposal would be applied as general working capital of the Group, which further strengthened the Group's financial position.

Income Tax (Credit)/Expense

The Group recorded an income tax credit for the current financial year as compared to the income tax expense in the last financial year. Effective tax rate for the financial year ended 31 March 2012 was 16.3% which was similar to the standard profits tax rate applicable to companies incorporated in Hong Kong, the Group's major place of operation. For the financial year ended 31 March 2013, the Group recognised deferred income tax assets in respect of tax losses incurred as Directors considered that the realisation of the related tax benefit through the availability of the future taxable profits was probable. The gain on disposal of a property recorded in current financial year was capital in nature and therefore non-taxable.

Profit Attributable to Owners

Profit attributable to owners for the year under review was HK$62.0 million, a decrease of HK$14.1 million or 19% as compared to HK$76.1 million for the year ended 31 March 2012. Net profit margin decreased from 7.7% for last financial year to 6.1% for the current financial year.

Financial news agency, information and solutions segment maintained its stable contribution and become the major profit contributor for current financial year. This proved the success of the Group's effort in diversification. When the printed media businesses, in particular the paid publications were under great challenges from various dimensions in present few years, the financial news agency, information and solutions businesses of the Group provided a solid foundation and support to the Group's further development.

The Group's two pillars, the flagship newspaper, *Hong Kong Economic Times*, under the printed media segment and the financial news agency, information and solutions segment continued to be profitable and being the major profit contributors to the Group for the financial year under review. The investments in *Sky Post* and the digital and internet-based businesses of the Group's two newspapers and three magazines, namely *Hong Kong Economic Times, Sky Post, U Magazine, e-zone and iMoney*, the costs of which are included in the printed media segment would have short term pressure on the cost and result of this segment.

The Management, with their strong crisis mentality, had been well aware of the challenges to the media business and was prepared to invest further in diversifying the Group's business portfolio within the five business domains, namely finance, property, human resources, education and lifestyle, seeding the growth and expansion of the Group.

Liquidity and Capital Resources

(in HK$ million)	**As at 31 March** **2013**	 2012
Net current assets	**348.9**	241.1
Term deposits, pledged deposits and cash and cash equivalents	**344.4**	248.2
Bank borrowings	**114.9**	–
Owners' funds	**792.3**	757.2
Gearing ratio	**9.6%**	–
Current ratio	**2.26 times**	1.89 times

The Group's net current assets as at 31 March 2013 increased by HK$107.8 million from HK$241.1 million to HK$348.9 million. The increase was mainly attributable to the proceeds received from the disposal of a property of the Group situated at Tai Po Industrial Estate following the asset rationalisation and re-deployment review.

Net cash generated from investing activities was HK$43.0 million. During the year, the Group had purchased an investment property at a consideration of approximately HK$12.5 million and other property, plant and equipment of approximately HK$75.2 million using internal funds. The Group had also disposed of a property situated at Tai Po Industrial Estate to an independent third party for net proceeds of approximately HK$116.7 million.

The Group had distributed the final dividend declared for the financial year ended 31 March 2012 and interim dividend for the six months period ended 30 September 2012 amounting to an aggregate total of HK$29.3 million. During the year, the Group had drawn down and repaid a bridging loan of HK$150.0 million. The Group had also drawn down a leasing loan of HK$126.9 million with five years repayment term and repaid HK$12.0 million during the year. The loan was secured on the Group's property, plant and equipment with net book value of approximately HK$157.4 million as at 31 March 2013. Net cash generated from financing activities for the year was therefore HK$85.1 million.

Gearing ratio of the Group, being total interest bearing liabilities divided by total assets, was 9.6% as at 31 March 2013. The Group had no gearing as at 31 March 2012.

As at 31 March 2013, the Group had a cash balance of HK$344.4 million as compared to HK$248.2 million as at 31 March 2012. Majority of the cash was placed under short-term deposits with banks in Hong Kong and was held 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

Sky Post, made significant progress after its launch in July 2011. It had established a recognised and well received positioning of being a positive thinking and middle class free daily in the market within a short period of time. The favourable responses from readers and advertisers are also encouraging. The launch of *Sky Post* further extends the Group's readers, advertisers and income base which were not previously available to our other niche publications. We are confident and determined to make *Sky Post* a success and believe that it will become a significant contributor to the growth of the Group in the medium and longer term.

The evolution of the media industry continued. The enormous popularity of internet, pervasive penetration of smart mobile devices, wireless network upgrade and the ongoing development of digital technologies drive the market attention from traditional media to digital platforms. This new paradigm shift presents both challenges and opportunities to the Group. We shall continue to invest in the digital and internet-based businesses across all our business segments and focus on harnessing new technologies and user experiences to deliver timely, personalized, interactive, quality and value-added services to the targeted customers.

The Investments in *Sky Post* and the digital and internet-based businesses would have short term pressure on the cost and result of the Group. We are confident that these new initiatives will drive the sustainable growth of the Group in the medium term.

The year ahead is still challenging. While we have seen some improvements in the US economy, the global economy remains dull as negative effects of the eurozone economies continue to weigh on the pace of global recovery. With benefit from the reasonable growth momentum of the Mainland, Hong Kong is poised to achieve modest economic growth in the coming year. We will remain focused on preserving and reinforcing our established strengths and deepen our penetration into segments that offer growth and enlarging our customer and income base. The Group continues to maintain a strong financial position and is well positioned to ride through any storm that may come, and take good advantage of opportunities that may arise.

EMPLOYEES

As at 31 March 2013, the Group had 1,516 employees (31 March 2012: 1,525 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 5.0 cents per share in respect of the year ended 31 March 2013 to the shareholders whose names appear on the register of members of the Company at the close of business on 6 August 2013, amounting to HK$21,580,000. The final dividend, payable on 13 September 2013, is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be held on 30 July 2013 ("the Meeting").

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 25 July 2013 to 30 July 2013 (both days inclusive) and 7 August 2013 to 9 August 2013 (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 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 24 July 2013. 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 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 6 August 2013.

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 code 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 2013 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 (the "Model Code") 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 throughout the year ended 31 March 2013.

AUDIT COMMITTEE

The Company established an Audit Committee in 2005 with written terms of reference. The Audit Committee currently comprises two Independent Non-executive Directors, Mr. O'Yang Wiley as Committee Chairman and Mr. Lo Foo Cheung. The number of members of the Audit Committee fell below the minimum number required under Rule 3.21 of the Listing Rules following the resignation of an Independent Non-executive Director, being also the member of the Audit Committee on 10 June 2013. The Audit Committee has reviewed the Group's audited final results for the year ended 31 March 2013.

REMUNERATION COMMITTEE

The Company established a Remuneration Committee in 2005 with written terms of reference. The Remuneration Committee currently comprises Non-executive Director, Mr. Chu Yu Lun and Independent Non-executive Director, Mr. Lo Foo Cheung as Committee Chairman. The composition of the Remuneration Committee failed to meet the composition requirement under Rule 3.25 of the Listing Rules following the resignation of an Independent Non-executive Director, being also the member of the Remuneration Committee on 10 June 2013.

NOMINATION COMMITTEE

The Company established a Nomination Committee in 2005 with written terms of reference. The Nomination Committee currently comprises Non-executive Director, Mr. Chu Yu Lun and two Independent Non-executive Directors, Mr. Chow On Kiu as Committee Chairman and Mr. O'Yang Wiley.

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

Hong Kong, 20 June 2013

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 2012/2013 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. Chow On Kiu, Mr. Lo Foo Cheung and Mr. O'Yang Wiley.