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 2015

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 2015 as follows:

CONSOLIDATED INCOME STATEMENT

		Year ended 31 March	
		2015	2014
	Note	***HK$'000***	*HK$'000*
Revenue	*2*	**1,121,582**	1,065,145
Cost of sales	*3*	**(722,515)**	(701,718)
Gross profit		**399,067**	363,427
Selling and distribution expenses	*3*	**(168,282)**	(159,154)
General and administrative expenses	*3*	**(182,199)**	(174,235)
Other income		**1,029**	492
Operating profit		**49,615**	30,530
Finance income		**7,732**	7,337
Finance costs		**(2,681)**	(2,829)
Finance income – net		**5,051**	4,508
Profit before income tax		**54,666**	35,038
Income tax expense	*4*	**(8,193)**	(5,583)
Profit for the year		**46,473**	29,455
Profit attributable to:			
Owners of the Company		**45,377**	28,138
Non-controlling interests		**1,096**	1,317
		46,473	29,455
Earnings per share attributable to owners of the Company (expressed in HK cents)			
Basic and diluted	*5*	**10.51**	6.52

		Year ended 31 March	
		2015	2014
	Note	***HK$'000***	*HK$'000*
Dividends	*6*	**34,528**	25,896

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 March	
	2015	2014
	HK$'000	*HK$'000*
Profit for the year	**46,473**	29,455
Other comprehensive income:		
Items that may be reclassified to profit or loss		
Change in value of available-for-sale financial assets	**–**	147
Reclassification of revaluation reserve upon maturity of available-for-sale financial assets	**–**	(1,002)
Currency translation differences arising from foreign operations	**(98)**	(112)
Item that will not be reclassified subsequently to profit or loss		
Remeasurement of long service payment provision	**677**	9,147
Other comprehensive income for the year, net of tax	**579**	8,180
Total comprehensive income for the year	**47,052**	37,635
Total comprehensive income attributable to:		
Owners of the Company	**45,956**	36,318
Non-controlling interests	**1,096**	1,317
	47,052	37,635

CONSOLIDATED BALANCE SHEET

	Note	As at 31 March **2015** ***HK$'000***	 2014 *HK$'000*
Non-current assets			
Property, plant and equipment		**496,297**	502,125
Investment properties		**72,919**	12,402
Deferred income tax assets		**22,203**	20,107
		591,419	534,634
Current assets			
Inventories		**33,789**	37,096
Trade receivables	*7*	**213,896**	219,436
Deposits, prepayments and other receivables		**32,707**	28,871
Tax recoverable		**6,268**	4,774
Pledged deposits		**3,320**	–
Term deposits with original maturities of over three months		**223,348**	198,613
Cash and cash equivalents		**136,255**	172,367
		649,583	661,157
Current liabilities			
Trade payables	*8*	**38,975**	38,126
Fees in advance		**109,383**	94,241
Accruals, other payables and provisions		**102,934**	96,205
Current income tax liabilities		**294**	4,337
Bank borrowings	*9*	**38,306**	29,504
		289,892	262,413
Net current assets		**359,691**	398,744
Total assets less current liabilities		**951,110**	933,378
Equity attributable to owners of the Company			
Share capital		**43,160**	43,160
Reserves			
Proposed final dividend	*6*	**25,896**	21,580
Others		**749,371**	737,943
		818,427	802,683
Non-controlling interests		**9,132**	8,317
Total equity		**827,559**	811,000
Non-current liabilities			
Bank borrowings	*9*	**81,937**	81,857
Deferred income tax liabilities		**31,951**	31,072
Other non-current liabilities		**9,663**	9,449
		123,551	122,378
Total equity and non-current liabilities		**951,110**	933,378

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2015

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.

The following amendments to standards and new interpretations are relevant to the Group's operation and are mandatory for financial year ended 31 March 2015:

HKAS 32 (Amendment)	Financial instruments: Presentation– Offsetting financial assets and financial liabilities
HKAS 36 (Amendment)	Recoverable amount disclosures for non-financial assets
HKFRS 10, HKFRS 12 and HKFRS 27 (2011) (Amendments)	Investment entities
HK(IFRIC)–Int 21	Levies

These amendments to standards and new interpretations had no material impact on the presentation of the Group's financial statements.

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 2014 and have not been early adopted in these consolidated financial statements:

		Effective for accounting period beginning on or after
HKAS 1 (Amendment)	Disclosure initiative	1 January 2016
HKAS 19 (2011) (Amendment)	Defined benefit plans – Employee contributions	1 July 2014
HKAS 16 and HKAS 38 (Amendment)	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
HKAS 27 (Amendment)	Equity method in separate financial statement	1 January 2016
HKFRS 9	Financial instruments	1 January 2018
HKFRS 10, HKFRS 12 and HKAS 28 (Amendment)	Investment entities: Applying the consolidation exception	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2017
Annual improvements project	Annual improvements 2010-2012 cycle	1 July 2014
Annual improvements project	Annual improvements 2011-2013 cycle	1 July 2014
Annual improvements project	Annual improvements 2012-2014 cycle	1 January 2016

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:

	2015	2014
	HK$'000	*HK$'000*
Revenue		
Advertising income	**636,951**	590,855
Circulation income	**112,717**	115,860
Service income	**358,339**	344,296
Enrolment income	**13,575**	14,134
	1,121,582	1,065,145

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 2015 are as follows:

	Printed media		Financial news agency, information and solutions		Recruitment advertising and training		Lifestyle portals		Corporate		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	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	**805,179**	766,638	**255,868**	244,046	**44,249**	41,987	**22,948**	20,829	**–**	–	**1,128,244**	1,073,500
Inter-segment transactions	**(2,928)**	(3,224)	**(3,716)**	(4,934)	**(13)**	(150)	**(5)**	(47)	**–**	–	**(6,662)**	(8,355)
Revenue – from external customers	**802,251**	763,414	**252,152**	239,112	**44,236**	41,837	**22,943**	20,782	**–**	–	**1,121,582**	1,065,145
RESULTS												
Profit/(loss) for the year	**13,866**	(11,052)	**37,301**	43,469	**2,954**	3,653	**(7,597)**	(6,648)	**(51)**	33	**46,473**	29,455

For the year ended 31 March 2015, revenue of approximately HK$83,435,000 (2014: HK$95,899,000) 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$1,118,370,000 (2014: HK$1,059,972,000) and HK$3,212,000 (2014: HK$5,173,000), respectively. The Group's revenue by geographical location is determined by the respective places of domicile of the relevant group entities which include Hong Kong and the People's Republic of China ("PRC").

The total non-current assets other than deferred income tax assets located in Hong Kong and other countries are HK$568,988,000 (2014: HK$514,257,000) and HK$228,000 (2014: HK$270,000), respectively.

3. Expenses by nature

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

	2015	2014
	HK$'000	*HK$'000*
Crediting		
(Loss)/gain on disposal of property, plant and equipment	**(254)**	21
Charging		
Cost of inventories sold or consumed in operation	**200,907**	219,734
Auditors' remuneration	**2,680**	2,600
Bad debts written off	**147**	195
Property, plant and equipment written off	**–**	14
Depreciation of property, plant and equipment and investment properties	**58,574**	56,235
Inventories written off	**153**	141
Operating lease rentals on land and buildings	**24,207**	22,020
Provision for impairment of trade receivables	**572**	21
Provision for obsolete inventories	**498**	508
Staff costs including Directors' and CEO's remuneration	**495,715**	473,876

4. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profit for the year. The PRC enterprise income tax has been calculated of the rate at 25% (2014: 25%) on the estimated assessable profit of subsidiaries operating in the PRC.

	2015	2014
	HK$'000	*HK$'000*
Current income tax		
Hong Kong profits tax	**9,310**	10,374
PRC enterprise income tax	**135**	180
(Over)/under-provisions in prior years	**(35)**	68
Total current income tax	**9,410**	10,622
Deferred income tax	**(1,217)**	(5,039)
Income tax expense	**8,193**	5,583

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$45,377,000 (2014: HK$28,138,000) and number of 431,600,000 (2014: 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 2015 (2014: same).

6. Dividends

	2015	2014
	HK$'000	*HK$'000*
Dividends attributable to the year		
Interim dividend paid of HK 2.0 cents (2014: HK 1.0 cent) per ordinary share	**8,632**	4,316
Proposed final dividend of HK 6.0 cents (2014: HK 5.0 cents) per ordinary share	**25,896**	21,580
	34,528	25,896
Dividends paid during the year	**30,212**	25,896

A final dividend in respect of the year ended 31 March 2015 of HK 6.0 cents per ordinary share, amounting to a total dividend of HK$25,896,000, is to be proposed at the annual general meeting on 6 August 2015. 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:

	2015	2014
	HK$'000	*HK$'000*
0 to 30 days	**126,812**	137,167
31 to 60 days	**29,222**	27,567
61 to 90 days	**20,907**	20,888
Over 90 days	**40,636**	36,955
Trade receivables, gross	**217,577**	222,577
Less: provision for impairment of trade receivables	**(3,681)**	(3,141)
	213,896	219,436

8. Trade payables

The ageing analysis of trade payables is as follows:

	2015	2014
	HK$'000	*HK$'000*
0 to 30 days	**35,591**	34,738
31 to 60 days	**1,863**	1,772
61 to 90 days	**195**	559
Over 90 days	**1,326**	1,057
	38,975	38,126

9. Bank borrowings

	2015	2014
	HK$'000	*HK$'000*
Non-current		
Bank borrowings	**81,937**	81,857
Current		
Bank borrowings	**38,306**	29,504
Total	**120,243**	111,361

Movements in bank borrowings are analysed as follows:

	2015	2014
	HK$'000	*HK$'000*
At beginning of the year	**111,361**	114,893
Proceeds from bank borrowings	**40,400**	23,100
Repayment of bank borrowings	**(31,518)**	(26,632)
At end of the year	**120,243**	111,361

Bank borrowings were repayable as follows:

	2015	2014
	HK$'000	*HK$'000*
Within one year	**38,306**	29,504
Between one and two years	**39,070**	30,232
Between two and five years	**42,867**	51,625
Wholly repayable within five years	**120,243**	111,361

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 investment properties of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Summary of Profit and Loss Account

	Year ended 31 March		
	2015	2014	% Change
	HK$'000	*HK$'000*	
Revenue	**1,121,582**	**1,065,145**	**5%**
Cost of sales	**(722,515)**	(701,718)	3%
Gross profit	**399,067**	363,427	10%
Gross profit margin	**35.6%**	**34.1%**	
Selling and distribution expenses	**(168,282)**	(159,154)	6%
General and administrative expenses	**(182,199)**	(174,235)	5%
Other income	**1,029**	492	109%
Operating profit	**49,615**	30,530	63%
Finance income/(costs) – net	**5,051**	4,508	12%
Profit before income tax	**54,666**	35,038	56%
Income tax expense	**(8,193)**	(5,583)	47%
Profit for the year	**46,473**	**29,455**	**58%**
Non-controlling interests	**(1,096)**	(1,317)	-17%
Profit attributable to owners	**45,377**	**28,138**	**61%**
Net profit margin	**4.1%**	**2.8%**	

General

The Group's revenue for the financial year ended 31 March 2015 increased to HK$1,121.6 million, an increase of HK$56.5 million or 5% over the preceding financial year. Profit attributable to owners increased by 61% from HK$28.1 million to HK$45.4 million.

Revenue

	Year ended 31 March		
	2015	2014	% Change
	HK$'000	*HK$'000*	
Revenue:			
Advertising income	**636,951**	590,855	8%
Circulation income	**112,717**	115,860	-3%
Service income	**358,339**	344,296	4%
Enrolment income	**13,575**	14,134	-4%
Total	**1,121,582**	1,065,145	5%

Advertising income for the year ended 31 March 2015 increased HK$46.1 million to HK$637.0 million, a rise of 8% as compared to the year ended 31 March 2014. The Group's newspaper publications, both paid and free, recorded growth in advertising income, especially the free Chinese daily *Sky Post*. The Group's weeklies, *U Magazine*, *e-zone* and *iMoney*, with efforts in providing creative integrated marketing solutions to our customers, were able to maintain the advertising income despite the downward trend on advertising spending being placed in magazines. Recruitment advertising income for the year under review recorded an encouraging growth which was due to the sales team's focus in expanding market share.

Circulation income recorded a decrease of 3% from HK$115.9 million in the year ended 31 March 2014 to HK$112.7 million for the financial year under review. With the increasing trend of readers shifting to online platforms and free content, the Group's paid publications were able to contain the decline to a relatively moderate extent. This was achieved through editorial teams' insistence on credible and quality content.

Service income for the year ended 31 March 2015 increased from HK$344.3 million to HK$358.3 million when compared with the preceding financial year. The increase was mainly contributed by the organic growth of existing products and the launch of new products and projects of the financial news agency, information and solutions businesses.

Operating Costs

Gross profit margin for the year ended 31 March 2015 improved further by 1.5 percentage point to 35.6% from 34.1% for the year ended 31 March 2014. The increase in gross profit margin was mainly due to the improved top line performance.

Staff costs, representing approximately 46% of the Group's total operating costs, increased by 5% as compared to the year ended 31 March 2014. The increase was mainly due to general salary increment in line with the employment market.

Newsprint costs, constituting around 11% of the Group's total operating costs, was similar to the amount for the year ended 31 March 2014. The increase in consumption volume as a result of increase in the number of advertising pages was offset by the decrease in newsprint price recorded for the year. The Group would continue to deploy effective production control on material consumption.

Income Tax Expense

The effective tax rates of the Group for the financial years ended 31 March 2015 and 2014 were 15.0% and 15.9% respectively. These were in line with the standard profits tax rate of 16.5% which was applicable to companies incorporated in Hong Kong, the Group's major place of operation.

Profit Attributable to Owners

Profit attributable to owners of the Group for the year under review was HK$45.4 million, an increase of HK$17.3 million or 61% as compared to HK$28.1 million recorded for the year ended 31 March 2014. Net profit margin increased by 1.3 percentage point to 4.1% for the current financial year, and the Group's operating result continued to improve.

Results of printed media segment for the year under review recorded significant improvement in bottom line. Being the second highest local circulation daily, *Sky Post's* advertising revenue continued its impetus and formed a sizable part of the increase in the Group's revenue. The Group's flagship newspaper, *Hong Kong Economic Times*, with strength and focus in finance and property markets, benefited from the increased activities in these sectors during the current financial year. Despite the shrinking market trend, *U Magazine*, *e-zone* and *iMoney*, the Group's paid weeklies, stood firm in the market and remained profitable.

The strong leading position of the Group's financial news agency, information and solutions businesses contributed to the major share of profit for the year under review. The quality of its products and services enabled the segment's business units to secure important and significant projects during the year. The team's competency was well received by our clients.

During this period of full employment in Hong Kong, the Group's online-based recruitment advertising business had been gaining market share and contributing positively to the Group's operating results.

The Group continued to invest in lifestyle portals and was confident in their return in the medium to longer term.

Liquidity and Capital Resources

	As at 31 March	
(in HK$ million)	**2015**	2014
Net current assets	**359.7**	398.7
Term deposits, pledged deposits and cash and cash equivalents	**362.9**	371.0
Bank borrowings	**120.2**	111.4
Owners' funds	**818.4**	802.7
Gearing ratio	**9.7%**	9.3%
Current ratio	**2.24 times**	2.52 times

The Group's net current assets as at 31 March 2015 decreased by HK$39.0 million from HK$398.7 million to HK$359.7 million. The decrease was mainly attributable to the purchase of several office premises intended for self-use purposes with a total consideration of approximately HK$69.8 million which was offset by the positive operating results of the Group for the year ended 31 March 2015. The Group recorded net cash generated from operating activities of HK$117.4 million.

Net cash used in investing activities was HK$131.8 million. During the year, the Group had purchased office premises and other property, plant and equipment amounting to HK$111.8 million.

The Group had distributed the final dividend declared for the financial year ended 31 March 2014 and interim dividend for the six months period ended 30 September 2014 amounting to an aggregate total of HK$30.2 million. During the financial year, the Group had drawn down bank loans of HK$40.4 million with five years repayment term, and had repaid HK$31.5 million during the same period. The loans were secured on the Group's certain properties, plant and equipment with net book value of approximately HK$194.1 million as at 31 March 2015. Net cash used in financing activities for the year therefore amounted to HK$21.6 million.

Gearing ratio of the Group, being total interest bearing liabilities divided by total assets, was 9.7% as at 31 March 2015. The Group did not have any undrawn borrowing facilities as at 31 March 2015.

As at 31 March 2015, the Group had a cash balance of HK$362.9 million as compared to HK$371.0 million as at 31 March 2014. Majority of the cash was placed under short-term deposits with banks in Hong Kong and was held in Hong Kong dollars or in Renminbi. Exchange fluctuations, whether appreciation or devaluation, of Renminbi for the financial year under review was small, and any exchange loss on Renminbi could be offset by the higher deposit interest rate received. The Group therefore 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 transformation of the media landscape continued to accelerate, with more advertising revenue shifting from paid to free and from print to digital. To pave way for future development, investments in free daily and internet-based businesses would inevitably exert pressure on the cost and bottom line of the printed media segment. However, we strongly believe that these investments are worthwhile and necessary to sustain the continuous growth of the Group.

Digital media will be one of the main drivers of revenue growth in the coming years. Online especially mobile advertising is expected to increase its share of the total marketing dollars. The Group will continue its initiatives to increase its presence in the digital media across all of its business segments. We are confident that these initiatives will become the growth engine of the Group in the medium and longer term.

The year ahead is still very challenging. Worldwide's massive monetary stimulus, oil price volatility, and regional political instability will continue to create uncertainties and downside risk in the region. Developed economies may experience a prolonged period of slow growth. With Central Government's commitment to restructure and rebalance the economy from infrastructure and investment-led growth to domestic demand and services sector, Mainland economy will shift towards a more sustainable growth path in 2015. Despite local consumption being dampened by weaker spending power of inbound tourists, Hong Kong economy will continue to benefit from the continuous growth of Mainland economy. Overall, the coming year will be full of changes. We shall continue to preserve our core business, strengthen our competitive advantages and deepen our penetration into segments that offer growth and enlarge our customer and revenue base.

The Group is in a strong cash flow position with a cash balance of over HK$360 million as at 31 March 2015, and we are well placed to capitalize on any investment opportunities that may arise and to meet any ups and downs of the economic conditions.

EMPLOYEES

As at 31 March 2015, the Group had 1,499 employees (31 March 2014: 1,494 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 6.0 cents per share in respect of the year ended 31 March 2015 to the shareholders whose names appear on the Register of Members of the Company at the close of business on 14 August 2015, amounting to HK$25,896,000. The final dividend, payable on 25 September 2015, is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be held 6 August 2015 ("the Meeting").

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 3 August 2015 to 6 August 2015 (both days inclusive) and 17 August 2015 to 19 August 2015 (both days inclusive) respectively, during which period no transfer of shares will be effected. In order to qualify for the entitlement to attend and vote at the Meeting, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 31 July 2015. In order to qualify for the proposed final dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 14 August 2015.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

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

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the provisions set out in the Corporate Governance Code (the "Code Provisions") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the year ended 31 March 2015 except as stated and explained below.

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

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company confirmed the adoption of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code"). All Directors confirmed their compliance with the required standard set out in the Model Code throughout the year ended 31 March 2015.

AUDIT COMMITTEE

The Company established an Audit Committee in 2005 with written terms of reference. The Audit Committee comprises Non-executive Director, Mr. Chu Yu Lun and two Independent Non-executive Directors, Mr. O'Yang Wiley as Committee Chairman and Mr. Lo Foo Cheung. The Audit Committee has reviewed the Group's audited final results for the year ended 31 March 2015.

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

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

Hong Kong, 22 June 2015

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 2014/2015 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, Professor Leung Gabriel Matthew, Mr. Lo Foo Cheung and Mr. O'Yang Wiley.