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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 2016

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 2016. These results have been reviewed by the Company's auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and by the Audit Committee of the Company.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	**Unaudited For the six months ended 30 September 2016 HK$'000**	2015 HK$'000
Revenue	3	**565,345**	585,658
Cost of sales	5	**(354,344)**	(372,385)
Gross profit		**211,001**	213,273
Selling and distribution expenses	5	**(87,388)**	(85,004)
General and administrative expenses	5	**(92,279)**	(97,383)
Other income	4	**1,898**	1,195
Operating profit		**33,232**	32,081
Finance income	6	**1,772**	4,221
Finance costs	6	**(283)**	(1,306)
Finance income – net	6	**1,489**	2,915
Profit before income tax		**34,721**	34,996
Income tax expense	7	**(8,765)**	(6,123)
Profit for the period		**25,956**	28,873
Profit attributable to:			
Owners of the Company		**24,843**	28,105
Non-controlling interests		**1,113**	768
		25,956	28,873
Earnings per share attributable to owners of the Company (expressed in HK cents)			
Basic and diluted	8	**5.76**	6.51

The notes on pages 7 to 15 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited For the six months ended 30 September **2016** **HK$'000**	 2015 HK$'000
Profit for the period	**25,956**	28,873
Other comprehensive loss:		
Item that may be reclassified to profit or loss		
Currency translation differences arising from foreign operations	**(476)**	(379)
Other comprehensive loss for the period, net of tax	**(476)**	(379)
Total comprehensive income for the period	**25,480**	28,494
Total comprehensive income attributable to:		
Owners of the Company	**24,367**	27,726
Non-controlling interests	**1,113**	768
	25,480	28,494

The notes on pages 7 to 15 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**Unaudited As at 30 September 2016 HK$'000**	Audited As at 31 March 2016 HK$'000
Non-current assets			
Property, plant and equipment	*10*	**436,646**	456,269
Investment properties		**78,403**	72,109
Deferred income tax assets		**23,321**	23,701
Deposits paid for property, plant and equipment		**125**	4,325
		538,495	556,404
Current assets			
Inventories		**26,774**	29,843
Trade receivables	*11*	**216,213**	214,364
Deposits, prepayments and other receivables		**30,472**	34,484
Tax recoverable		**344**	344
Pledged deposits		**3,320**	3,320
Term deposits with original maturities of over three months		**249,289**	248,601
Cash and cash equivalents		**95,037**	117,344
		621,449	648,300
Current liabilities			
Trade payables	*12*	**39,977**	37,604
Fees in advance		**118,669**	128,491
Accruals, other payables and provisions		**72,582**	110,661
Current income tax liabilities		**9,234**	2,496
Bank borrowings	*14*	**8,080**	8,080
		248,542	287,332
Net current assets		**372,907**	360,968
Total assets less current liabilities		**911,402**	917,372

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

	Note	**Unaudited As at 30 September 2016 HK$'000**	Audited As at 31 March 2016 HK$'000
Equity attributable to owners of the Company			
Share capital	*13*	**43,160**	43,160
Reserves			
Proposed final dividend		**–**	30,212
Interim dividend		**8,632**	–
Others		**779,334**	763,599
		831,126	836,971
Non-controlling interests		**11,699**	10,586
Total equity		**842,825**	847,557
Non-current liabilities			
Bank borrowings	*14*	**18,180**	22,220
Deferred income tax liabilities		**35,103**	33,462
Other non-current liabilities		**15,294**	14,133
		68,577	69,815
Total equity and non-current liabilities		**911,402**	917,372

The notes on pages 7 to 15 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED

	Attributable to owners of the Company									
	Share capital HK$'000	**Share premium** HK$'000	**Merger reserve** HK$'000	**Capital reserve** HK$'000	**Currency translation reserve** HK$'000	**Other reserves** HK$'000	**Retained earnings** HK$'000	**Total** HK$'000	**Non-controlling interests** HK$'000	**Total equity** HK$'000
Balance at 1 April 2015	43,160	100,801	69,944	6,120	1,738	1,333	595,331	818,427	9,132	827,559
Profit for the period	–	–	–	–	–	–	28,105	28,105	768	28,873
Other comprehensive loss										
Currency translation differences arising from foreign operations	–	–	–	–	(379)	–	–	(379)	–	(379)
Total comprehensive income	–	–	–	–	(379)	–	28,105	27,726	768	28,494
Transaction with owners										
Final dividend for the year ended 31 March 2015	–	(25,896)	–	–	–	–	–	(25,896)	–	(25,896)
Balance at 30 September 2015	43,160	74,905	69,944	6,120	1,359	1,333	623,436	820,257	9,900	830,157
Balance at 1 April 2016	**43,160**	**74,905**	**69,944**	**6,120**	**1,024**	**(2,363)**	**644,181**	**836,971**	**10,586**	**847,557**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**24,843**	**24,843**	**1,113**	**25,956**
Other comprehensive loss										
Currency translation differences arising from foreign operations	**-**	**-**	**-**	**-**	**(476)**	**-**	**-**	**(476)**	**-**	**(476)**
Total comprehensive income	**-**	**-**	**-**	**-**	**(476)**	**-**	**24,843**	**24,367**	**1,113**	**25,480**
Transaction with owners										
Final dividend for the year ended 31 March 2016 *(note 9)*	**-**	**(30,212)**	**-**	**-**	**-**	**-**	**-**	**(30,212)**	**-**	**(30,212)**
Balance at 30 September 2016	**43,160**	**44,693**	**69,944**	**6,120**	**548**	**(2,363)**	**669,024**	**831,126**	**11,699**	**842,825**

The notes on pages 7 to 15 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited For the six months ended 30 September	
	2016	2015
	HK$'000	HK$'000
Cash flows from operating activities		
Cash generated from operations	**24,693**	42,623
Interest paid	**(283)**	(1,306)
Long service payment made	**–**	(39)
Hong Kong profits tax (paid)/refund	**(6)**	4,766
Net cash generated from operating activities	**24,404**	46,044
Cash flows from investing activities		
Bank interest received	**1,772**	4,221
Purchase of property, plant and equipment	**(12,287)**	(7,014)
Proceeds from disposal of property, plant and equipment	**144**	23
Increase in term deposits with original maturities of over three months	**(688)**	(8,486)
Deposits paid for purchase of property, plant and equipment	**(125)**	–
Net cash used in investing activities	**(11,184)**	(11,256)
Cash flows from financing activities		
Final dividend paid to owners of the Company	**(30,212)**	(25,896)
Repayments of bank borrowings	**(4,040)**	(19,054)
Net cash used in financing activities	**(34,252)**	(44,950)
Net decrease in cash and cash equivalents	**(21,032)**	(10,162)
Effect of foreign exchange rate changes, net	**(1,275)**	(379)
Cash and cash equivalents at beginning of the period	**117,344**	136,255
Cash and cash equivalents at end of the period *(note)*	**95,037**	125,714

Note: As at 30 September 2016, the total cash and cash equivalents, term deposits with original maturities of over three months and pledged deposits amounted to HK$347,646,000 (30 September 2015: HK$360,868,000).

The notes on pages 7 to 15 form an integral part of this interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 September 2016

1. Basis of preparation and accounting policies

The unaudited interim condensed consolidated 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 ("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 interim condensed consolidated financial information should be read in conjunction with the Group's audited 2016 annual consolidated financial statements, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the HKICPA.

The accounting policies and method of computation used in the preparation of this interim condensed consolidated financial information are consistent with those applied in the annual consolidated financial statements for the year ended 31 March 2016.

HKICPA has issued a number of amendments to standards that are relevant to the Group's operation and are mandatory for the first time for the Group's financial year beginning 1 April 2016. These amendments to standards had no material impact on the presentation of the Group's interim condensed consolidated financial information.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2016.

2. Financial risk management

2.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, and cash flow and fair value interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 March 2016.

There have been no changes in the risk management department or in any risk management policies since year end.

2.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

2.3 Fair value of financial assets and liabilities measured at amortised cost

The fair values of trade receivables, deposits and other receivables, cash and cash equivalents, term deposits with original maturities of over three months, pledged deposits, trade and other payables and bank borrowings as at 30 September 2016 approximate their carrying amounts due to the relatively short term nature of these financial instruments.

3. 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:

(i) 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.

(ii) 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.

(iii) 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.

(iv) 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.

3. Segment information (Continued)

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.

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 periods is presented.

The segment results for the six months ended 30 September 2016 are as follows:

	Unaudited For the six months ended 30 September											
	Printed media		Financial news agency, information and solutions		Recruitment advertising and training		Lifestyle portals		Corporate		Total	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
	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	**372,096**	394,017	**158,609**	156,695	**24,531**	26,590	**13,973**	11,850	**-**	–	**569,209**	589,152
Inter-segment transactions	**(1,527)**	(1,572)	**(2,150)**	(1,815)	**(185)**	(106)	**(2)**	(1)	**-**	–	**(3,864)**	(3,494)
Revenue – from external customers	**370,569**	392,445	**156,459**	154,880	**24,346**	26,484	**13,971**	11,849	**-**	–	**565,345**	585,658
RESULTS												
Profit/(loss) for the period	**(6,092)**	3,857	**33,330**	24,540	**3,086**	3,793	**(4,503)**	(3,331)	**135**	14	**25,956**	28,873

4. Other income

	Unaudited For the six months ended 30 September	
	2016	2015
	HK$'000	HK$'000
Rental income from investment properties	**1,898**	1,195

5. Expenses by nature

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

	Unaudited For the six months ended 30 September	
	2016	2015
	HK$'000	HK$'000
Depreciation of property, plant and equipment and investment properties	**30,367**	29,688
Gain on disposal of property, plant and equipment	**(137)**	(7)
Operating lease rentals on land and buildings	**13,777**	12,130
Provision for obsolete inventories	**245**	227
Reversal of provision for impairment of trade receivables	**(37)**	(45)
Staff costs including Directors' and CEO's remuneration	**251,210**	256,624

6. Finance income and costs

	Unaudited For the six months ended 30 September	
	2016	2015
	HK$'000	HK$'000
Finance income		
– Bank interest income	**1,772**	4,221
Finance costs		
– Interest expense on bank borrowings	**(283)**	(1,306)
Finance income – net	**1,489**	2,915

7. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits for the period.

	Unaudited For the six months ended 30 September **2016** **HK$'000**	 2015 HK$'000
Current income tax		
Hong Kong profits tax	**6,738**	5,969
PRC enterprise income tax	**6**	4
	6,744	5,973
Deferred income tax relating to the origination and reversal of temporary differences	**2,021**	150
	8,765	6,123

8. Earnings per share

The calculation of basic earnings per share for the current period is based on the profit attributable to owners of the Company of HK$24,843,000 (2015: HK$28,105,000) and number of 431,600,000 (2015: 431,600,000) shares in issue during the period.

Diluted earnings per share are the same as basic earnings per share as there were no dilutive potential ordinary shares during the period ended 30 September 2016 (2015: same).

9. Dividends

A final dividend in respect of the year ended 31 March 2016 of HK 7.0 cents per share, amounting to a total dividend of HK$30,212,000 was paid in September 2016.

The Directors have declared an interim dividend of HK 2.0 cents (2015: HK 2.0 cents) per share, amounting to HK$8,632,000 (2015: HK$8,632,000), for the six months ended 30 September 2016.

10. Property, plant and equipment

	Unaudited						
	Leasehold land and buildings	**Leasehold improvements**	**Plant and machinery**	**Furniture, fixtures and equipment**	**Motor vehicles**	**Network and computer equipment**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2015	192,893	18,543	240,550	21,445	1,048	21,818	496,297
Additions	–	759	253	3,328	43	3,065	7,448
Depreciation	(1,749)	(3,243)	(15,941)	(4,632)	(201)	(3,517)	(29,283)
Disposals	–	–	–	(16)	–	–	(16)
Net book value at 30 September 2015	191,144	16,059	224,862	20,125	890	21,366	474,446
At 30 September 2015							
Cost	228,240	59,018	441,620	149,746	2,502	74,145	955,271
Accumulated depreciation	(37,096)	(42,959)	(216,758)	(129,621)	(1,612)	(52,779)	(480,825)
Net book value at 30 September 2015	191,144	16,059	224,862	20,125	890	21,366	474,446
At 1 April 2016	**189,396**	**13,838**	**209,293**	**20,523**	**1,221**	**21,998**	**456,269**
Additions	**-**	**357**	**656**	**8,806**	**1,192**	**6,034**	**17,045**
Transfer to investment properties	**(6,783)**	**-**	**-**	**-**	**-**	**-**	**(6,783)**
Depreciation	**(1,666)**	**(3,083)**	**(15,564)**	**(5,233)**	**(229)**	**(4,103)**	**(29,878)**
Disposals	**-**	**-**	**-**	**(6)**	**-**	**(1)**	**(7)**
Net book value at 30 September 2016	**180,947**	**11,112**	**194,385**	**24,090**	**2,184**	**23,928**	**436,646**
At 30 September 2016							
Cost	**220,053**	**60,308**	**442,635**	**163,536**	**3,572**	**83,717**	**973,821**
Accumulated depreciation	**(39,106)**	**(49,196)**	**(248,250)**	**(139,446)**	**(1,388)**	**(59,789)**	**(537,175)**
Net book value at 30 September 2016	**180,947**	**11,112**	**194,385**	**24,090**	**2,184**	**23,928**	**436,646**

As at 30 September 2015, bank borrowings were secured on leasehold improvements and plant and machinery with net book values of approximately HK$4,257,000 and HK$123,317,000, respectively.

The relevant bank borrowings were fully repaid in the year ended 31 March 2016.

11. 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:

	Unaudited 30 September 2016 HK$'000	Audited 31 March 2016 HK$'000
0 to 30 days	**129,184**	123,856
31 to 60 days	**36,373**	33,697
61 to 90 days	**17,693**	22,197
Over 90 days	**37,045**	38,733
Trade receivables, gross	**220,295**	218,483
Less: provision for impairment of trade receivables	**(4,082)**	(4,119)
	216,213	214,364

12. Trade payables

The ageing analysis of trade payables by overdue day is as follows:

	Unaudited 30 September 2016 HK$'000	Audited 31 March 2016 HK$'000
0 to 30 days	**36,955**	33,204
31 to 60 days	**89**	2,894
61 to 90 days	**655**	412
Over 90 days	**2,278**	1,094
	39,977	37,604

13. Share capital

	Unaudited 30 September 2016 HK$'000	Audited 31 March 2016 HK$'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

14. Bank borrowings

	Unaudited 30 September 2016 HK$'000	Audited 31 March 2016 HK$'000
Non-current		
Bank borrowings	**18,180**	22,220
Current		
Bank borrowings	**8,080**	8,080
Total	**26,260**	30,300

Movements in bank borrowings are analysed as follows:

	HK$'000
Six months ended 30 September 2016	
Opening amount as at 1 April 2016	**30,300**
Repayment of bank borrowings	**(4,040)**
Closing amount as at 30 September 2016	**26,260**

Bank borrowings were repayable as follows:

	Unaudited 30 September 2016 HK$'000	Audited 31 March 2016 HK$'000
Within one year	**8,080**	8,080
Between one and two years	**8,080**	8,080
Between two and five years	**10,100**	14,140
	26,260	30,300

The carrying amounts of the floating rate bank borrowings are denominated in Hong Kong dollars and are secured by certain investment properties of the Group.

15. Related party transactions

During the period, the Group entered into the following transactions with related parties:

	Unaudited For the six months ended 30 September 2016 HK$'000	2015 HK$'000
Service income from related parties	**89**	71
Hardware purchased from a related party	**553**	459
Rental expenses to a related party	**512**	489
Key management personnel compensation		
Salaries and other short-term benefits	**9,163**	10,105
Post-employment benefits	**437**	452
	9,600	10,557

16. Capital commitments

Capital commitments at the balance sheet date but not yet incurred are as follows:

	Unaudited 30 September 2016 HK$'000	Audited 31 March 2016 HK$'000
Property, plant and equipment		
– contracted but not yet provided for	**125**	778
– authorised but not yet contracted for	**2,104**	506
	2,229	1,284

17. Approval of the interim condensed consolidated financial information

This interim condensed consolidated financial information was approved by the Board of Directors on 21 November 2016.

MANAGEMENT DISCUSSION AND ANALYSIS
Summary of Profit and Loss Account

(HK$'000)	For the six months ended 30 September **2016**	2015	% Change
Revenue	**565,345**	**585,658**	**-3%**
Cost of sales	**(354,344)**	(372,385)	-5%
Gross profit	**211,001**	213,273	-1%
Gross profit margin	**37.3%**	**36.4%**	
Selling and distribution expenses	**(87,388)**	(85,004)	3%
General and administrative expenses	**(92,279)**	(97,383)	-5%
Other income	**1,898**	1,195	59%
Operating profit	**33,232**	32,081	4%
Finance income - net	**1,489**	2,915	-49%
Profit before income tax	**34,721**	34,996	-1%
Income tax expense	**(8,765)**	(6,123)	43%
Profit for the period	**25,956**	**28,873**	**-10%**
Non-controlling interests	**(1,113)**	(768)	45%
Profit attributable to owners	**24,843**	**28,105**	**-12%**
Net profit margin	**4.6%**	**4.9%**	

General

The Group's revenue for the six months period ended 30 September 2016 recorded a decrease of HK$20.3 million, 3% when compared to same period last year. Net profit attributable to owners for the period decreased by 12% to HK$24.8 million.

Revenue

	For the six months ended 30 September		
	2016	2015	% Change
	HK$'000	HK$'000	
Revenue:			
Advertising income	**307,159**	313,866	-2%
Circulation income	**48,247**	57,473	-16%
Service income	**202,450**	205,705	-2%
Enrolment income	**7,489**	8,614	-13%
Total	**565,345**	585,658	-3%

Revenue for the six months ended 30 September 2016 was HK$565.3 million, a 3% decline from the same period last year.

Advertising income, mainly contributed by the Group's print publications and digital platforms, decreased moderately by 2% to HK$307.2 million from the same period ended 30 September 2015. Advertising income from the Group's paid publications dropped in line with the advertising market trend. On the other hand, our free daily, *Sky Post*, with the second largest circulation in Hong Kong, continued its growth in market share and advertising income. Digital advertising income, being our strategic focus in recent years, increased significantly for the period under review, compensated a major part of the loss of advertising income from print publications.

Circulation income decreased by 16% to HK$48.2 million when compared with the period ended 30 September 2015. The trend of readers shifting to free contents and online platforms magnified, the impact was significant, in particular, on paid weeklies. The Group's flagship paid newspaper, *Hong Kong Economic Times*, continued to rank number one in media credibility among all paid and free Chinese newspapers in Hong Kong by a tracking research in 2016 – "Public Evaluation on Media Credibility" conducted by the Centre for Communication and Public Opinion Survey of The Chinese University of Hong Kong. The Group would persist in the pursuit of quality for our publications.

Service income recorded a slight drop of 2% to HK$202.5 million from the same period ended 30 September 2015. The Group's service income was mainly generated by the financial news agency, information and solutions businesses. The slight decrease was mainly due to the robust stock market transaction at the beginning of the preceding financial year which cooled down afterwards.

Operating Costs

Gross profit margin of the Group was 37.3% for the six months ended 30 September 2016, an improvement of 0.9 percentage point from last year same period. Management would continue to monitor and enhance the cost effectiveness of the Group's operations.

Staff costs for the six months ended 30 September 2016, representing approximately 47% of the Group's total operating costs, decreased by 2% as compared to the same period last year. The decrease was a combining effect of organic headcount turnover and general salary increase effective from April 2016.

Newsprint costs for the six months ended 30 September 2016, constituted around 9% of the Group's total operating costs, decreased by 2% as compared to last year same period.

Profit Attributable to Owners

The Group's net profit attributable to owners for the six months ended 30 September 2016 recorded a decrease of HK$3.3 million, 12% from HK$28.1 million for the same period last year to HK$24.8 million.

Printed media segment's operating results recorded a negative result for the period under review. The Group's investment in free daily publishing and development of digital platforms for our print publications would become the drivers of revenue growth of the segment in the near term. The negative results would be the throes of a transition period.

Financial news agency, information and solutions segment registered a 36% growth of segment results when compared to the preceding reporting period, contributing a solid profit foundation to the Group's sustainable development. The encouraging profit was a result of the combined effort of dedicated product development and sales and customer service teams together with effective cost control.

Recruitment advertising and training segment was contributing a stable profit to the Group.

The Group continued to invest in lifestyle portals businesses aimed to produce positive return in the medium and longer term.

Liquidity and Capital Resources

(in HK$ million)	**As at 30 September 2016**	As at 31 March 2016
Net current assets	**372.9**	361.0
Term deposits, pledged deposits and cash and cash equivalents	**347.6**	369.3
Bank borrowings	**26.3**	30.3
Owners' funds	**831.1**	837.0
Gearing ratio	**2.3%**	2.5%
Current ratio	**2.50 times**	2.26 times

The Group's net current assets as at 30 September 2016 increased from the position as at 31 March 2016 due to the positive operating results for the period under review. The Group recorded net cash generated from operating activities of HK$24.4 million.

During the period under review, there were no significant investment activities. The Group had distributed the final dividend declared for the financial year ended 31 March 2016 amounting to HK$30.2 million and repaid bank borrowings amounting to HK$4.0 million.

As at 30 September 2016, the Group had a cash balance of HK$347.6 million as compared to HK$369.3 million as at 31 March 2016. Majority of the cash was placed under term deposits denominated in Hong Kong dollars with original maturities of over three months. The Group has no significant exposure to exchange rate risk.

The outstanding bank borrowings as at 30 September 2016 were HK$26.3 million. These bank borrowings are secured by certain investment properties. As at 30 September 2016, the Group had a gearing ratio of 2.3%, being total interest bearing liabilities divided by total assets.

OUTLOOK

The sluggish economic condition has accelerated the transformation of media industry. Advertising spending continues to shift from print to digital based platforms at a rapid pace. A number of print focus publications, in particular weeklies were ceased to publish or restructured to scale down its operation. In response to this unprecedented change, the Group had been investing and redeploying resources to build a strong and devoted team for digital businesses in media segment in recent years. The transformation has come to a critical stage now and we are focusing on deriving and reviewing for the best group practices which enable us to capture the business growth and opportunities ahead.

Riding on the Group's successful digital experience in the financial news agency, information and solutions segment, we are confident that despite uncertain business and market environment, our effort would bring the Group to a new chapter. The solid and stable results of financial news agency, information and solutions segment together with our healthy financial position, would provide the Group a strong foundation for development in digital businesses within our core business domains. The Group aims to maintain a long term dividend policy with strong financial position.

EMPLOYEES

As at 30 September 2016, the Group had 1,489 employees (30 September 2015: 1,505 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 HK 2.0 cents (2015: HK 2.0 cents) per share, amounting to HK$8,632,000 (2015: HK$8,632,000), payable on 16 December 2016 to shareholders whose names appear on the Register of Members of the Company at the close of business on 6 December 2016.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 7 December 2016 to 9 December 2016, 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 6 December 2016.

DIRECTORS

The Directors of the Company during the period and up to the date of this announcement were:

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

Non-executive Director

Mr. CHU Yu Lun

Independent Non-executive Directors

Mr. CHOW On Kiu
Professor LEUNG Gabriel Matthew
Mr. LO Foo Cheung
Mr. O'YANG Wiley

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the six months ended 30 September 2016.

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 Listing Rules 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 of Directors (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 (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 six months period ended 30 September 2016.

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 Group's unaudited interim results for the six months ended 30 September 2016 have been reviewed by the Audit Committee.

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, 21 November 2016

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 and Ms. See Sau Mei Salome; (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.

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.