



香港經濟日報集團有限公司

HONG KONG ECONOMIC TIMES HOLDINGS LIMITED

Stock Code 00423



HONG KONG ECONOMIC TIMES HOLDINGS LIMITED

INTERIM REPORT **2021/2022**

INTERIM RESULTS 2021/2022

The Directors of Hong Kong Economic Times Holdings Limited (the “Company”) announce the unaudited interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2021. 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

	<i>Note</i>	Unaudited	
		For the six months ended 30 September	
		2021	2020
		HK\$'000	HK\$'000
Revenue	3	520,463	467,809
Cost of sales	5	(289,420)	(292,467)
Gross profit		231,043	175,342
Selling and distribution expenses	5	(94,051)	(89,856)
General and administrative expenses	5	(106,573)	(105,366)
Net impairment losses on financial assets		(862)	(972)
Other income	4	867	52,280
Operating profit		30,424	31,428
Finance income	6	629	1,315
Finance costs	6	(147)	(277)
Finance income – net	6	482	1,038
Profit before income tax		30,906	32,466
Income tax expense	7	(7,016)	(2,756)
Profit for the period		23,890	29,710
Profit attributable to:			
Owners of the Company		23,158	28,726
Non-controlling interests		732	984
		23,890	29,710
Earnings per share attributable to owners of the Company (expressed in HK cents)			
Basic and diluted	8	5.37	6.66

The above interim condensed consolidated income statement should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	For the six months	
	ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
Profit for the period	23,890	29,710
Other comprehensive income:		
Item that may be reclassified to profit or loss		
Currency translation differences arising from foreign operations	137	442
Other comprehensive income for the period, net of tax	137	442
Total comprehensive income for the period	24,027	30,152
Total comprehensive income attributable to:		
Owners of the Company	23,295	29,168
Non-controlling interests	732	984
	24,027	30,152

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		Unaudited	Audited
		As at	As at
		30 September	31 March
		2021	2021
	<i>Note</i>	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment	10	447,410	459,610
Investment properties		5,865	5,949
Deferred income tax assets		27,901	28,128
Deposits paid for property, plant and equipment		267	270
		481,443	493,957
Current assets			
Inventories		24,087	16,836
Trade receivables	11	184,746	179,023
Deposits and other receivables		18,871	17,513
Prepayments		17,906	15,133
Tax recoverable		831	2,496
Pledged deposits		–	1,742
Term deposits with original maturities of over three months		236,405	240,823
Cash and cash equivalents		219,515	227,917
		702,361	701,483
Current liabilities			
Trade payables	12	26,132	25,920
Fees in advance		124,749	113,776
Accruals, other payables and provisions		86,398	103,387
Lease liabilities		10,531	17,165
Current income tax liabilities		6,491	3,403
		254,301	263,651
Net current assets		448,060	437,832
Total assets less current liabilities		929,503	931,789

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

		Unaudited	Audited
		As at	As at
		30 September	31 March
		2021	2021
	<i>Note</i>	HK\$'000	HK\$'000
Equity attributable to owners of the Company			
Share capital	13	43,160	43,160
Reserves		845,680	848,281
		888,840	891,441
Non-controlling interests		19,861	19,129
Total equity		908,701	910,570
Non-current liabilities			
Deferred income tax liabilities		16,926	16,996
Lease liabilities		164	1,654
Other non-current liabilities		3,712	2,569
		20,802	21,219
Total equity and non-current liabilities		929,503	931,789

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED

	Attributable to owners of the Company								Non-controlling interests	Total equity	
	Share capital	Share premium	Merger reserve	Capital reserve	Currency translation		Other reserves	Retained earnings			Total
					reserve	reserve					
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Balance at 1 April 2020	43,160	8,007	69,944	6,120	(128)	7,811	753,101	888,015	17,094	905,109	
Profit for the period	-	-	-	-	-	-	28,726	28,726	984	29,710	
Other comprehensive income											
Currency translation differences arising from foreign operations	-	-	-	-	442	-	-	442	-	442	
Total comprehensive income	-	-	-	-	442	-	28,726	29,168	984	30,152	
Transaction with owners											
Final dividend for the year ended 31 March 2020 (note 9)	-	-	-	-	-	-	(21,580)	(21,580)	-	(21,580)	
Balance at 30 September 2020	43,160	8,007	69,944	6,120	314	7,811	760,247	895,603	18,078	913,681	
Balance at 1 April 2021	43,160	8,007	69,944	6,120	614	9,725	753,871	891,441	19,129	910,570	
Profit for the period	-	-	-	-	-	-	23,158	23,158	732	23,890	
Other comprehensive income											
Currency translation differences arising from foreign operations	-	-	-	-	137	-	-	137	-	137	
Total comprehensive income	-	-	-	-	137	-	23,158	23,295	732	24,027	
Transaction with owners											
Final dividend for the year ended 31 March 2021 (note 9)	-	-	-	-	-	-	(25,896)	(25,896)	-	(25,896)	
Balance at 30 September 2021	43,160	8,007	69,944	6,120	751	9,725	751,133	888,840	19,861	908,701	

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited	
	For the six months	
	ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
Cash flows from operating activities		
Cash generated from operations	31,716	41,484
Interest paid	(147)	(277)
Profits tax paid	(2,108)	(4,015)
Net cash generated from operating activities	29,461	37,192
Cash flows from investing activities		
Bank interest received	629	1,315
Purchase of property, plant and equipment	(7,990)	(9,077)
Deposits paid for purchase of property, plant and equipment	(266)	-
Proceeds from disposal of property, plant and equipment	68	459
Decrease in term deposits with original maturities of over three months	4,418	36,823
Net cash (used in)/generated from investing activities	(3,141)	29,520
Cash flows from financing activities		
Final dividend paid to owners of the Company	(25,896)	(21,580)
Principal elements of lease payments	(8,963)	(9,122)
Net cash used in financing activities	(34,859)	(30,702)
Net (decrease)/increase in cash and cash equivalents	(8,539)	36,010
Effect of foreign exchange rate changes, net	137	442
Cash and cash equivalents at beginning of the period	227,917	220,525
Cash and cash equivalents at end of the period <i>(note)</i>	219,515	256,977

Note: As at 30 September 2021, the total cash and cash equivalents, term deposits with original maturities of over three months and pledged deposits amounted to HK\$455,920,000 (30 September 2020: HK\$386,407,000).

The above interim condensed consolidated cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 September 2021

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 2021 annual consolidated financial statements, which have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA.

The accounting policies applied in the preparation of this interim condensed consolidated financial information are consistent with those of the annual consolidated financial statements for the year ended 31 March 2021, as described in those annual consolidated financial statements, except for the recognition of estimation of income tax as set out below.

Income tax

Income tax expenses for the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies and did not require any adjustments.

Certain new and amended standards have been issued but are not mandatory for application in the current reporting period. The Group did not early adopt these new and amended standards in the current reporting period and is assessing the impact of the adoption of these new and amended standards. The Group is not yet in a position to state whether they would have a material impact on the Group’s results of operations and financial position.

The preparation of interim condensed consolidated 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 expenses. 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 annual consolidated financial statements for the year ended 31 March 2021.

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 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 for the year ended 31 March 2021.

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 carrying amounts of trade receivables, deposits and other receivables, cash and cash equivalents, term deposits with original maturities of over three months, trade payables, accruals and other payables as at 30 September 2021 approximate their fair values due to their relatively short maturities. Lease liabilities are initially measured on a present value basis by discounting the lease payments to net present value using the Group's incremental borrowing rate.

3. Revenue and segment information

An analysis of the Group's revenue for the period is as follows:

	Unaudited	
	For the six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
Advertising income	280,747	232,129
Circulation income	32,061	35,171
Service income	207,655	200,509
	520,463	467,809

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.

3. Revenue and segment information (Continued)

The Group has two reportable segments:

- (i) Media segment – principally engaged in the printing and publication of newspapers, magazines and books and the operation of digital platforms, including recruitment, finance and lifestyle. This segment generates advertising income, circulation income and service income from these publications and digital platforms.
- (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.

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 2021 are as follows:

	Unaudited							
	For the six months ended 30 September							
	Media		Financial news agency, information and solutions		Corporate		Total	
2021	2020	2021	2020	2021	2020	2021	2020	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
REVENUE								
Revenue	356,446	304,944	166,888	165,580	-	-	523,334	470,524
Inter-segment transactions	(430)	(477)	(2,441)	(2,238)	-	-	(2,871)	(2,715)
Revenue – from external customers	356,016	304,467	164,447	163,342	-	-	520,463	467,809
RESULTS								
Profit/(loss) for the period	864	(859)	23,032	30,582	(6)	(13)	23,890	29,710

4. Other income

	Unaudited For the six months ended 30 September	
	2021 HK\$'000	2020 HK\$'000
Rental income from investment properties	834	835
Government subsidies (<i>note</i>)	–	51,445
Others	33	–
	867	52,280

Note:

During the period ended 30 September 2020, government subsidies recognised were primarily related to subsidies from the Hong Kong Government under the Anti-epidemic Fund. There were no unfulfilled conditions and other contingencies attached to the receipts of these subsidies.

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	
	2021 HK\$'000	2020 HK\$'000
Staff costs including Directors' and CEO's remuneration	281,325	281,334
Content costs	57,003	56,772
Depreciation of property, plant and equipment and investment properties	21,239	33,221
Provision for obsolete inventories	12	65

6. Finance income and costs

	Unaudited For the six months ended 30 September	
	2021 HK\$'000	2020 HK\$'000
Finance income		
Bank interest income	629	1,315
Finance costs		
Interest on leases	(147)	(277)
Finance income – net	482	1,038

7. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profits for the period.

	Unaudited	
	For the six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
Current income tax		
Hong Kong profits tax	6,859	5,650
PRC enterprise income tax	1	9
	6,860	5,659
Deferred income tax	156	(2,903)
	7,016	2,756

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\$23,158,000 (2020: HK\$28,726,000) and the number of 431,600,000 (2020: 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 2021 (2020: same).

9. Dividends

A final dividend in respect of the year ended 31 March 2021 of HK 6.0 cents (2020: HK 5.0 cents) per share, amounting to a total dividend of HK\$25,896,000 (2020: HK\$21,580,000) was paid during the period.

The Directors have declared an interim dividend of HK 3.0 cents (2020: HK 2.0 cents) per share, amounting to HK\$12,948,000 (2020: HK\$8,632,000), for the six months ended 30 September 2021.

10. Property, plant and equipment

	Unaudited							
	Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Network and computer equipment	Right-of-use assets	Total
				HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 April 2020	131,218	9,394	111,661	19,923	1,037	16,919	269,494	559,646
Additions	345	19	4,062	4,758	700	2,260	19,250	31,394
Depreciation	(2,688)	(1,499)	(10,253)	(4,894)	(295)	(3,933)	(9,576)	(33,138)
Disposals	-	-	(839)	(25)	(43)	-	(324)	(1,231)
Net book value at 30 September 2020	128,875	7,914	104,631	19,762	1,399	15,246	278,844	556,671
At 30 September 2020								
Cost	170,095	72,819	444,856	196,928	3,454	107,477	317,904	1,313,533
Accumulated depreciation	(41,220)	(64,905)	(340,225)	(177,166)	(2,055)	(92,231)	(39,060)	(756,862)
Net book value at 30 September 2020	128,875	7,914	104,631	19,762	1,399	15,246	278,844	556,671
At 1 April 2021	126,188	7,060	28,615	17,625	1,135	13,505	265,482	459,610
Additions	-	1,891	44	3,108	944	2,273	1,061	9,321
Depreciation	(2,688)	(1,535)	(2,889)	(4,363)	(268)	(3,186)	(6,226)	(21,155)
Disposals	-	(13)	-	(23)	(120)	(23)	(187)	(366)
Net book value at 30 September 2021	123,500	7,403	25,770	16,347	1,691	12,569	260,130	447,410
At 30 September 2021								
Cost	170,095	34,798	129,447	187,903	3,625	111,453	298,797	936,029
Accumulated depreciation	(46,595)	(27,306)	(103,677)	(171,556)	(1,934)	(98,884)	(38,667)	(488,619)
Net book value at 30 September 2021	123,500	7,403	25,770	16,347	1,691	12,569	260,130	447,410

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 based on invoice date is as follows:

	Unaudited 30 September 2021 HK\$'000	Audited 31 March 2021 HK\$'000
0 to 30 days	90,851	67,907
31 to 60 days	29,981	41,720
61 to 90 days	22,351	23,845
Over 90 days	49,078	52,082
Trade receivables, gross	192,261	185,554
Less: provision for impairment of trade receivables	(7,515)	(6,531)
	184,746	179,023

12. Trade payables

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

	Unaudited 30 September 2021 HK\$'000	Audited 31 March 2021 HK\$'000
0 to 30 days	20,818	21,035
31 to 60 days	652	784
61 to 90 days	660	371
Over 90 days	4,002	3,730
	26,132	25,920

13. Share capital

	Unaudited 30 September 2021 HK\$'000	Audited 31 March 2021 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. Related party transactions

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

	Unaudited	
	For the six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
Service income from related parties (<i>notes (i) and (ii)</i>)	266	266
Hardware purchased from a related party (<i>notes (i) and (ii)</i>)	647	51
Rental payment to a related party (<i>notes (i) and (iii)</i>)	544	544
Key management personnel compensation		
Salaries and other short-term benefits	7,370	7,030
Post-employment benefits	258	251
	7,628	7,281

Note (i): These related companies are beneficially owned by certain directors of the Company.

Note (ii): These transactions are carried out at rate mutually-agreed between the parties involved in the transactions.

Note (iii): An operating lease agreement is entered into with a related party on terms mutually-agreed by both parties.

15. Capital commitments

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

	Unaudited	Audited
	30 September	31 March
	2021	2021
	HK\$'000	HK\$'000
Property, plant and equipment		
Contracted but not yet provided for	–	–
Authorised but not yet contracted for	723	1,396
	723	1,396

16. Approval of the interim condensed consolidated financial information

This interim condensed consolidated financial information was approved by the Board of Directors on 22 November 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Summary of Profit and Loss Account

(HK\$'000)	For the six months ended 30 September		% Change
	2021	2020	
Revenue	520,463	467,809	11%
Cost of sales	(289,420)	(292,467)	-1%
Gross profit	231,043	175,342	32%
Gross profit margin	44.4%	37.5%	
Selling and distribution expenses	(94,051)	(89,856)	5%
General and administrative expenses	(106,573)	(105,366)	1%
Net impairment losses on financial assets	(862)	(972)	-11%
Other income	867	52,280	-98%
Operating profit	30,424	31,428	-3%
Finance income – net	482	1,038	-54%
Profit before income tax	30,906	32,466	-5%
Income tax expense	(7,016)	(2,756)	155%
Profit for the period	23,890	29,710	-20%
Non-controlling interests	(732)	(984)	-26%
Profit attributable to owners	23,158	28,726	-19%
Net profit margin	4.6%	6.4%	

General

Hong Kong economy is on the path of recovery alongside the improving global economic conditions and receding local epidemic situation. The Group's revenue for the six months ended 30 September 2021 registered an increase of HK\$52.7 million or 11% to HK\$520.5 million when compared to the same period last year. Profit attributable to owners was HK\$23.2 million for the six months ended 30 September 2021.

Revenue

	For the six months ended 30 September		% Change
	2021	2020	
	HK\$'000	HK\$'000	
Revenue:			
Advertising income	280,747	232,129	21%
Circulation income	32,061	35,171	-9%
Service income	207,655	200,509	4%
Total	520,463	467,809	11%

Advertising income, mainly contributed by the Group's printed publications and digital platforms, increased by HK\$48.6 million or 21% to HK\$280.7 million from the same period ended 30 September 2020. The increase was mainly attributable to the remarkable increase of digital advertising revenue while the print advertising revenue recorded a slight increase when compared to the last year same period. The consumption and business sentiments turned more positive abreast global economic recovery and the stabilised local epidemic situation. The improving labour market, coupled with the boost from the Consumption Voucher Scheme, also helped to stimulate local consumption and marketing activities.

Circulation income decreased by 9% to HK\$32.1 million when compared with the period ended 30 September 2020. The decrease was in line with most of the printed titles in the market during the period under review.

Service income increased by 4% to HK\$207.7 million from the same period ended 30 September 2020. This income was mainly generated by the financial news agency, information and solutions businesses and the printing services of the Group's printing plants. The increase was mainly due to the increase of market share of the printing titles of the Group's printing plants after the closure of a competitor in the market. Service income from financial news agency, information and solutions remained solid for the period under review.

Operating Costs

Gross profit margin of the Group was 44.4% for the six months ended 30 September 2021, an improvement of 6.9 percentage point from last year same period. The improvement was due to the effective cost control and resources redeployment to improve cost effectiveness of the Group's operations.

Staff costs for the six months ended 30 September 2021, representing approximately 57% of the Group's total operating costs, maintained at the same level as in last year same period. The general salary increment in line with the employment market was offset by the decrease of headcount for the period under review.

Content costs which mainly represented market data license fees of various exchanges, financial index providers and foreign news agencies, constituting around 12% of the Group's total operating costs for the six months ended 30 September 2021, was similar to the amount recorded for the last year same period. The amount was in line with the market data usage of customers who had subscribed for ET Net securities and derivative quotation services under the financial news agency, information and solutions segment.

Profit Attributable to Owners

The Group's net profit attributable to owners for the six months ended 30 September 2021 was HK\$23.2 million, a decline of HK\$5.5 million as compared to HK\$28.7 million for the six months ended 30 September 2020. Net profit margin decreased by 1.8 percentage point to 4.6% for the six months ended 30 September 2021. Excluding the one-off Employment Support Scheme subsidy granted by the Hong Kong Government under the Anti-epidemic Fund ("ESS Subsidy") for the six months ended 30 September 2020, net profit attributable to owners for the period under review was increased by HK\$45.6 million, a significant improvement over last year same period.

Media segment's operating results turned positive for the period under review. The improvement of results was attributable to the increase of advertising revenue resulted from the strong rebound of the local advertising market and the depreciation cost saving after the impairment of the non-current assets for the financial year ended 31 March 2021. Benefited by the local economic recovery and the boost from the Consumer Voucher Scheme, business and consumption sentiments have improved. Advertising spending increased significantly during the period under review. The Group's printed publications together with the various digital channels offer an omni-channel marketing solution to marketers to reach and engage their target audience in the marketing ecosystem.

Financial news agency, information and solutions segment, remained the solid profit contributor to the Group, recorded a decrease in results for the six months ended 30 September 2021 when compared to the preceding reporting period. Excluding the one-off ESS Subsidy for the six months ended 30 September 2020, net profit attributable to shareholders recorded a moderate increase. Benefited by the robust securities trading and fund raising activities, this segment had secured several mobile and financial solution projects during the period under review.

Liquidity and Capital Resources

(in HK\$ million)	As at 30 September 2021	As at 31 March 2021
Net current assets	448.1	437.8
Term deposits, pledged deposits and cash and cash equivalents	455.9	470.5
Owners' equity	888.8	891.4
Gearing ratio	N/A	N/A
Current ratio	2.76 times	2.66 times

The Group's net current assets as at 30 September 2021 increased by HK\$10.3 million from the position as at 31 March 2021. The Group recorded a positive operating results with net cash generated from operating activities amounted to HK\$29.5 million for the six months period under review.

The Group had distributed the final dividend declared for the financial year ended 31 March 2021 amounting to HK\$25.9 million.

As at 30 September 2021, the Group had a cash balance of HK\$455.9 million as compared to HK\$470.5 million as at 31 March 2021. Majority of the cash was placed under short-term deposits with banks in Hong Kong and was held in Hong Kong dollars or in United States dollars. The Group has no significant exposure to exchange rate risk.

The Group had no borrowing as at 30 September 2021.

OUTLOOK

The global economic outlook, amid strong fiscal and monetary support in major economies and the rollout of mass vaccination programs, improves markedly in 2021. Supported by the improved global economic conditions and the stabilised local epidemic situation, Hong Kong's economic recovery become more entrenched for the rest of the year. However, the pandemic development especially the threats of more infectious variant and disruption to supply chains, will continue cast uncertainties over the global economic outlook. The China-US relations, geopolitical tensions and evolving monetary policy stance of major central banks will continue to affect the global and local economies.

The Group will closely monitor the economic and political situations, take a cautious and prudent approach in cost management, operational efficiency and financial discipline. The solid and stable results of financial news agency, information and solutions segment, together with our strong cash flow position, provide the Group with a strong foundation for our strategic focus in digital businesses. The Group would continue its investment initiatives in digital platforms by ploughing more resources into quality content, innovative technologies and the talents development to expand and solidify the success aimed at bringing in sustainable growth and better profit. We are confident that the Group is well placed to capture the opportunities and meet the challenges ahead.

EMPLOYEES

As at 30 September 2021, the Group had 1,395 employees (30 September 2020: 1,407 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 3.0 cents (2020: HK 2.0 cents) per share, amounting to HK\$12,948,000 (2020: HK\$8,632,000), payable on 17 December 2021 to shareholders whose names appear on the Register of Members of the Company at the close of business on 7 December 2021.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 8 December 2021 to 10 December 2021, 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 7 December 2021.

DIRECTORS

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

Executive Directors

Mr. FUNG Siu Por, Lawrence (*Chairman*)

Ms. SEE Sau Mei Salome

Mr. CHAN Cho Bui

Ms. WONG Ching

Non-executive Director

Mr. CHU Yu Lun

Independent Non-executive Directors

Mr. CHOW On Kiu

Mr. LO Foo Cheung

Mr. O'YANG Wiley

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2021, the interests and short positions of each Director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance (“SFO”)), as recorded in the register required to be kept by the Company under Section 352 of Part XV of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) were as follows:

Name of Directors	Capacity/ Nature of interest	Ordinary shares of the Company	
		Number of shares held	Percentage of issued share capital of the Company
Mr. FUNG Siu Por, Lawrence (<i>Note 1</i>)	Corporate	54,359,000	12.595%
Ms. SEE Sau Mei Salome	Beneficial owner	370,000	0.086%
Mr. CHAN Cho Bui	Beneficial owner	520,000	0.120%
Mr. CHU Yu Lun (<i>Note 2</i>)	Corporate	87,435,000	20.258%
Mr. LO Foo Cheung	Beneficial owner	740,000	0.171%

Note 1: The interests in the 54,359,000 shares are in respect of the deemed corporate interests held by Mr. Fung Siu Por, Lawrence through Golden Rooster Limited which is wholly owned by Mr. Fung Siu Por, Lawrence and his wife, Ms. Lee Suk Wai Alexandra. For the purpose of Part XV of the SFO, Mr. Fung Siu Por, Lawrence is therefore deemed interested in the shares held by Golden Rooster Limited.

Note 2: The interests in the 87,435,000 shares are in respect of the deemed corporate interests held by Mr. Chu Yu Lun through Sky Vision Investments Limited which is wholly owned by Mr. Chu Yu Lun and his wife, Ms. Chow Chiu Hing. For the purpose of Part XV of the SFO, Mr. Chu Yu Lun is therefore deemed interested in the shares held by Sky Vision Investments Limited.

All interests stated above represent long positions in the shares of the Company.

At no time during the six months ended 30 September 2021 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors and chief executive of the Company (including their spouses or children under 18 years of age) to acquire benefits by means of acquisition of shares or underlying shares in, or debentures of, the Company or any other body corporate.

Save as disclosed above, at no time during the six months ended 30 September 2021 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors and chief executive of the Company (including their spouses or children under 18 years of age) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporation required to be disclosed pursuant to the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

The register of substantial shareholders required to be kept under Section 336 of Part XV of the SFO shows that as at 30 September 2021, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and chief executive:

Name of Substantial Shareholders	Number of ordinary shares held (long position)	Percentage of issued share capital of the Company
Sky Vision Investments Limited <i>(Note 1)</i>	87,435,000	20.258%
MaMa Charitable Foundation Limited	58,169,000	13.478%
Golden Rooster Limited <i>(Note 2)</i>	54,359,000	12.595%
The University of Hong Kong	43,160,000	10.000%
Webb David Michael	34,896,000	8.085%

Note 1: Sky Vision Investments Limited is wholly owned by Mr. Chu Yu Lun and his wife, Ms. Chow Chiu Hing. For the purpose of Part XV of the SFO, Mr. Chu Yu Lun and Ms. Chow Chiu Hing are therefore deemed interested in the shares held by Sky Vision Investments Limited.

Note 2: Golden Rooster Limited is wholly owned by Mr. Fung Siu Por, Lawrence and his wife, Ms. Lee Suk Wai Alexandra. For the purpose of Part XV of the SFO, Mr. Fung Siu Por, Lawrence and Ms. Lee Suk Wai Alexandra are therefore deemed interested in the shares held by Golden Rooster Limited.

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 2021.

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 as set out in Appendix 10 of the Listing Rules. All Directors of the Company confirmed their compliance with the required standard set out in the Model Code regarding directors' securities transactions throughout the six months period ended 30 September 2021.

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 2021 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 Mr. O'Yang Wiley.

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, Mr. Lo Foo Cheung and Mr. O'Yang Wiley.

On behalf of the Board

Hong Kong Economic Times Holdings Limited

Fung Siu Por, Lawrence

Chairman

Hong Kong, 22 November 2021