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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)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2022

The Directors of Hong Kong Economic Times Holdings Limited (the “Company”) announce the audited consolidated final results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2022 as follows:

CONSOLIDATED INCOME STATEMENT

| | Note | Year ended 31 March | |
|--|------|---------------------|------------------|
| | | 2022 HK\$'000 | 2021 HK\$'000 |
| Revenue | 2 | 1,043,595 | 999,937 |
| Cost of sales | 3 | (581,786) | (584,289) |
| Gross profit | | 461,809 | 415,648 |
| Selling and distribution expenses | 3 | (194,703) | (178,725) |
| General and administrative expenses | 3 | (215,533) | (208,994) |
| Net impairment losses on financial assets | | (2,014) | (1,293) |
| Impairment losses on non-current assets | | – | (79,778) |
| Other income | | 1,800 | 78,923 |
| Operating profit | | 51,359 | 25,781 |
| Finance income | | 1,327 | 2,269 |
| Finance costs | | (211) | (498) |
| Finance income – net | | 1,116 | 1,771 |
| Profit before income tax | | 52,475 | 27,552 |
| Income tax (expense)/credit | 4 | (18,026) | 5,399 |
| Profit for the year | | 34,449 | 32,951 |
| Profit attributable to: | | | |
| Owners of the Company | | 33,017 | 30,916 |
| Non-controlling interests | | 1,432 | 2,035 |
| | | 34,449 | 32,951 |
| Earnings per share attributable to owners of the Company (expressed in HK cents) | | | |
| Basic and diluted | 5 | 7.65 | 7.16 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Year ended 31 March | |
|---|---------------------|----------|
| | 2022 | 2021 |
| | HK\$'000 | HK\$'000 |
| Profit for the year | 34,449 | 32,951 |
| Other comprehensive (loss)/income: | | |
| Item that may be reclassified to profit or loss | | |
| Currency translation differences arising from foreign operations | 422 | 742 |
| Item that will not be reclassified subsequently to profit or loss | | |
| Remeasurement of long service payment provision | (695) | 1,980 |
| Other comprehensive (loss)/income for the year, net of tax | (273) | 2,722 |
| Total comprehensive income for the year | 34,176 | 35,673 |
| Total comprehensive income attributable to: | | |
| Owners of the Company | 32,744 | 33,638 |
| Non-controlling interests | 1,432 | 2,035 |
| | 34,176 | 35,673 |

CONSOLIDATED BALANCE SHEET

| | | As at 31 March | |
|--|------|------------------|------------------|
| | Note | 2022 HK\$'000 | 2021 HK\$'000 |
| Non-current assets | | | |
| Property, plant and equipment | | 436,576 | 459,610 |
| Investment properties | | 42,950 | 5,949 |
| Deferred income tax assets | | 23,449 | 28,128 |
| Deposits paid for property, plant and equipment | | – | 270 |
| | | 502,975 | 493,957 |
| Current assets | | | |
| Inventories | | 23,706 | 16,836 |
| Trade receivables | 7 | 178,549 | 179,023 |
| Deposits and other receivables | | 15,685 | 17,513 |
| Prepayments | | 14,733 | 15,133 |
| Tax recoverable | | 1,723 | 2,496 |
| Pledged deposits | | – | 1,742 |
| Term deposits with original maturities of over three months | | 98,190 | 240,823 |
| Cash and cash equivalents | | 362,765 | 227,917 |
| | | 695,351 | 701,483 |
| Current liabilities | | | |
| Trade payables | 8 | 30,774 | 25,920 |
| Fees in advance | | 124,135 | 113,776 |
| Accruals, other payables and provisions | | 113,780 | 103,387 |
| Lease liabilities | | 2,802 | 17,165 |
| Current income tax liabilities | | 164 | 3,403 |
| | | 271,655 | 263,651 |
| Net current assets | | 423,696 | 437,832 |
| Total assets less current liabilities | | 926,671 | 931,789 |
| Equity attributable to owners of the Company | | | |
| Share capital | | 43,160 | 43,160 |
| Reserves | | 842,181 | 848,281 |
| | | 885,341 | 891,441 |
| Non-controlling interests | | 20,281 | 19,129 |
| Total equity | | 905,622 | 910,570 |
| Non-current liabilities | | | |
| Deferred income tax liabilities | | 17,614 | 16,996 |
| Lease liabilities | | 357 | 1,654 |
| Other non-current liabilities | | 3,078 | 2,569 |
| | | 21,049 | 21,219 |
| Total equity and non-current liabilities | | 926,671 | 931,789 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2022

1. Basis of preparation and accounting policies

The consolidated financial statements of Hong Kong Economic Times Holdings Limited have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention.

(a) Amendments adopted by the Group

The following amendments to standards are relevant to the Group’s operation and are mandatory for the financial year ended 31 March 2022:

| | |
|--|---|
| HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 | Interest Rate Benchmark Reform – Phase 2 (amendments) |
| HKFRS 3 (amendments) | Reference to the conceptual framework |
| HKAS 16 (amendments) | Property, plant and equipment: Proceeds before intended use |
| HKAS 37 (amendments) | Onerous contracts – Cost of fulfilling a contract |
| Annual improvement projects | Annual improvements 2018-2020 Cycle |

A number of new or amended standards became applicable for the current financial year. The adoption of these new standard and amendments to existing standards did not have a significant effect on the financial statements or result in any significant changes in the Group’s significant accounting policies.

(b) Amendments that have not yet been adopted

The following amendments to standards are relevant to the Group but are not effective for the Group’s financial year beginning on or after 1 April 2021 and have not been early adopted by the Group.

| | | Effective for accounting periods beginning on or after |
|---------------------------------------|---|---|
| HKAS 1 (amendments) | Classification of liabilities as current or non-current | 1 January 2023 |
| HKAS 1 and HKFRS practice statement 2 | Disclosure of Accounting Policies (amendments) | 1 January 2023 |
| HKAS 8 | Definition of Accounting Estimates (amendments) | 1 January 2023 |
| HKAS 12 | Deferred tax related to assets and liabilities arising from a single transaction (amendments) | 1 January 2023 |

The expected impacts from the adoption of the above amendments are still being assessed by the management, and management is not yet in a position to state whether they would have a significant impact on the Group’s financial performance and position.

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 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.

An analysis of the Group’s revenue for the year is as follows:

| | 2022 <i>HK\$’000</i> | 2021 <i>HK\$’000</i> |
|--------------------|-------------------------|-------------------------|
| Revenue | | |
| Advertising income | 559,502 | 523,756 |
| Circulation income | 61,742 | 69,382 |
| Service income | 422,351 | 406,799 |
| | 1,043,595 | 999,937 |

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 years ended 31 March 2022 and 2021 are as follows:

| | Media | | Financial news agency, information and solutions | | Corporate | | Total | |
|--|----------|----------|---|----------|-----------|----------|-----------|-----------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| REVENUE | | | | | | | | |
| Revenue | 714,879 | 667,442 | 333,998 | 338,446 | - | - | 1,048,877 | 1,005,888 |
| Inter-segment transactions | (803) | (1,163) | (4,479) | (4,788) | - | - | (5,282) | (5,951) |
| Revenue | | | | | | | | |
| - from external customers | 714,076 | 666,279 | 329,519 | 333,658 | - | - | 1,043,595 | 999,937 |
| RESULTS | | | | | | | | |
| Profit/(loss) for the year | (11,388) | (28,632) | 45,873 | 61,530 | (36) | 53 | 34,449 | 32,951 |
| EXPENSES | | | | | | | | |
| Impairment losses on non-current assets | - | (79,778) | - | - | - | - | - | (79,778) |

For the year ended 31 March 2022, revenue of approximately HK\$49,030,000 (2021: HK\$57,383,000) is derived from a single external customer. The revenue is attributable to the media segment.

The Group is domiciled in Hong Kong. All revenue from external customers is attributed to Hong Kong. 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 locations are HK\$479,093,000 (2021: HK\$465,515,000) and HK\$433,000 (2021: HK\$314,000), respectively.

3. Expenses by nature

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

| | 2022 | 2021 |
|--|-----------------|-----------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Charging | | |
| Staff costs including Directors' and CEO's remuneration | 566,202 | 549,280 |
| Content costs | 112,929 | 114,855 |
| Cost of inventories sold or consumed | 82,580 | 67,103 |
| Auditors' remuneration | 2,800 | 2,702 |
| Depreciation of property, plant and equipment and investment properties | 41,930 | 64,118 |
| Loss on disposal of property, plant and equipment | 117 | 534 |
| Direct operating expenses arising from investment properties that generate rental income | 192 | 147 |
| (Reversal of provision)/provision for obsolete inventories | (2) | 14 |
| Inventories written off | 54 | 173 |

4. Income tax expense/(credit)

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profit for the year. The PRC enterprise income tax is calculated at the rate of 25% (2021: 25%) on the estimated assessable profit of subsidiaries operating in the PRC.

| | 2022 | 2021 |
|--|-----------------|-----------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Current income tax | | |
| Hong Kong profits tax | 12,707 | 14,178 |
| PRC enterprise income tax | 16 | 29 |
| Under/(over) provisions in prior years | 6 | (160) |
| Total current income tax | 12,729 | 14,047 |
| Deferred income tax | 5,297 | (19,446) |
| Income tax expense/(credit) | 18,026 | (5,399) |

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\$33,017,000 (2021: HK\$30,916,000) and the number of 431,600,000 (2021: 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 2022 (2021: same).

6. Dividends

| | 2022 <i>HK\$'000</i> | 2021 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Dividends attributable to the year | | |
| Interim dividend paid of HK 3.0 cents (2021: HK 2.0 cents) per ordinary share | 12,948 | 8,632 |
| Proposed final dividend of HK 6.5 cents (2021: HK 6.0 cents) per ordinary share | 28,054 | 25,896 |
| | 41,002 | 34,528 |
| Dividends paid during the year | 38,844 | 30,212 |

A final dividend in respect of the year ended 31 March 2022 of HK 6.5 cents per ordinary share, amounting to a total dividend of HK\$28,054,000, is to be proposed at the annual general meeting on 11 August 2022. This proposed dividend is not reflected as a dividend payable in the consolidated balance sheet.

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 based on invoice date is as follows:

| | 2022 <i>HK\$'000</i> | 2021 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| 0 to 30 days | 53,277 | 67,907 |
| 31 to 60 days | 43,315 | 41,720 |
| 61 to 90 days | 31,067 | 23,845 |
| Over 90 days | 58,817 | 52,082 |
| Trade receivables, gross | 186,476 | 185,554 |
| Less: provision for impairment of trade receivables | (7,927) | (6,531) |
| | 178,549 | 179,023 |

8. Trade payables

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

| | 2022 | 2021 |
|---------------|------------------------|-----------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| 0 to 30 days | 27,420 | 21,035 |
| 31 to 60 days | 1,366 | 784 |
| 61 to 90 days | 643 | 371 |
| Over 90 days | 1,345 | 3,730 |
| | 30,774 | 25,920 |

MANAGEMENT DISCUSSION AND ANALYSIS

Summary of Profit and Loss Account

| | Year ended 31 March | | % Change |
|---|-------------------------|-------------------------|-----------|
| | 2022 <i>HK\$'000</i> | 2021 <i>HK\$'000</i> | |
| Revenue | 1,043,595 | 999,937 | 4% |
| Cost of sales | (581,786) | (584,289) | 0% |
| Gross profit | 461,809 | 415,648 | 11% |
| Gross profit margin | 44.3% | 41.6% | |
| Selling and distribution expenses | (194,703) | (178,725) | 9% |
| General and administrative expenses | (215,533) | (208,994) | 3% |
| Net impairment losses on financial assets | (2,014) | (1,293) | 56% |
| Impairment losses on non-current assets | – | (79,778) | N/A |
| Other income | 1,800 | 78,923 | -98% |
| Operating profit | 51,359 | 25,781 | 99% |
| Finance income – net | 1,116 | 1,771 | -37% |
| Profit before income tax | 52,475 | 27,552 | 90% |
| Income tax (expense)/credit | (18,026) | 5,399 | N/A |
| Profit for the year | 34,449 | 32,951 | 5% |
| Non-controlling interests | (1,432) | (2,035) | -30% |
| Profit attributable to owners | 33,017 | 30,916 | 7% |
| Net profit margin | 3.3% | 3.3% | |

General

The Hong Kong economy experienced a short-term recovery during 2021 as the local epidemic was under control during the period. In the first quarter of 2022, a wide range of economic activities together with the economic sentiments were hard hit by the fifth wave of epidemic with real GDP contracted by 4% from a year earlier.

Under this challenging period, the performance of the Group remained resilient. The Group's revenue for the financial year ended 31 March 2022 increased by HK\$43.7 million or 4% over last financial year to HK\$1,043.6 million. Profit attributable to owners increased by 7%, from HK\$30.9 million to HK\$33.0 million.

Revenue

| | Year ended 31 March | | |
|--------------------|---------------------|-----------------|----------|
| | 2022 | 2021 | % Change |
| | <i>HK\$'000</i> | <i>HK\$'000</i> | |
| Revenue: | | | |
| Advertising income | 559,502 | 523,756 | 7% |
| Circulation income | 61,742 | 69,382 | -11% |
| Service income | 422,351 | 406,799 | 4% |
| Total | 1,043,595 | 999,937 | 4% |

Advertising income, mainly contributed by the Group's digital platforms and printed publications, increased by HK\$35.7 million or 7% to HK\$559.5 million from the last financial year. The increase was mainly attributable to the notable growth of digital advertising income generated from Group's digital platforms on finance, recruitment and lifestyle. The pandemic has further accelerated the digital transformation of local advertising market. Digital advertising expands apace and has taken the largest slice from the local advertising spending. The contribution of Group's digital advertising income has overtaken printed advertising income for the financial year under review. It is expected that digital advertising income would continue its growth momentum and became the main driver of revenue growth.

Circulation income recorded a decrease of 11% from HK\$69.4 million for the year ended 31 March 2021 to HK\$61.7 million for the financial year under review. The decrease was in line with most of the printed titles in the market during the year under review.

Service income for the year ended 31 March 2022 increased by 4% from HK\$406.8 million in the preceding financial year to HK\$422.4 million. The Group's service 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 during the year under review and the provision of wide range of printing services to meet customer needs. Service income from financial news agency, information and solutions businesses remained solid for the financial year under review.

Operating Costs

Gross profit margin for the year ended 31 March 2022 improved by 2.7 percentage point from 41.6% for the year ended 31 March 2021 to 44.3%. The improvement was due to the depreciation cost saving after the impairment of the non-current assets for the financial year ended 31 March 2021. Management would continue to monitor and streamline the cost structure to improve efficiency and effectiveness of the Group's operations.

Staff costs, representing approximately 57% of the Group's total operating costs, maintained at the same level as compared to the year ended 31 March 2021. The general salary increment was in line with the employment market.

Content costs which mainly represent market data license fees of various exchanges, financial index providers and news agencies, constituting around 11% of the Group's total operating costs, a slight decrease of 1% when compared to the financial year ended 31 March 2021. 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.

Income Tax Expense/(Credit)

The Group recorded an income tax expense for the current financial year as compared to the income tax credit in the last financial year. The effective tax rate of the Group for the financial year ended 31 March 2022 was 34.4% while the effective tax rate before impairment losses on non-current assets for the year ended 31 March 2021 was approximately 7.4%. The Group was principally subject to the standard profits tax rate of 16.5% which was applicable to companies incorporated in Hong Kong, the Group's major place of operation. The increase of effective tax rate was mainly caused by a change in the profitability mix of the Group's subsidiaries for the financial year under review and the non-taxable government subsidies granted by the Hong Kong Government under the Anti-epidemic Fund for the financial year ended 31 March 2021. The Group would closely monitor the related operations from time to time.

Profit Attributable to Owners

Profit attributable to owners of the Group for the year under review was HK\$33.0 million, an increase of HK\$2.1 million as compared to HK\$30.9 million recorded for the year ended 31 March 2021. Net profit margin maintained at 3.3%, same as the last financial year. Excluding the one-off Employment Support Scheme subsidy granted by the Hong Kong Government under the Anti-epidemic Fund (“ESS Subsidy”) and the impairment losses on non-current assets for the year ended 31 March 2021, net profit attributable to owners for the year under review was increased by HK\$12.2 million, a significant improvement over the last financial year.

Media segment’s operating results has been improved by HK\$14.6 million when compared to last financial year’s segment results after excluding the one-off ESS Subsidy and impairment losses on non-current assets. The improvement of results was attributable to the increase of digital advertising income resulted from the strong rebound of the local advertising market in the second half of 2021 and the depreciation cost saving after the impairment of the non-current assets for the year ended 31 March 2021. The Group would continue its investment initiatives in digital platforms by ploughing more resources into quality content, advanced technologies and digital talents development to expand and solidify the success aimed to bring in sustainable growth and better profit.

Financial news agency, information and solutions segment, remained the solid contributor to the Group, recorded a slight decrease in results of HK\$2.3 million for the year ended 31 March 2022 when comparing to the preceding reporting year after excluding the one-off ESS Subsidy. This segment, capturing the market trend of digitalisation and diversification of the financial services industry, had secured various financial solution projects for the year under review. The Group will continue its talent and technology inputs to meet the rising demand in these innovative financial solutions.

Liquidity and Capital Resources

| (in HK\$ million) | As at 31 March | |
|---|-------------------|------------|
| | 2022 | 2021 |
| Net current assets | 423.7 | 437.8 |
| Term deposits, pledged deposits and cash and cash equivalents | 461.0 | 470.5 |
| Owners' equity | 885.3 | 891.4 |
| Gearing ratio | N/A | N/A |
| Current ratio | 2.56 times | 2.66 times |

The Group's net current assets as at 31 March 2022 decreased by HK\$14.1 million from HK\$437.8 million to HK\$423.7 million. The reduction was mainly attributable to the payment for the acquisition of a property which was offset by the contribution from the positive operating results of the Group for the year ended 31 March 2022. The Group recorded net cash generated from operating activities of HK\$99.2 million for the financial year under review.

Net cash generated from investing activities was HK\$92.4 million, resulted from the decrease of funds placed under short-term bank deposits with maturities of over three months. During the year, the Group had acquired a property at a consideration of approximately HK\$37.2 million, funded by matured term deposits. The property was intended for use as Group's office premises after the expiry of the prevailing lease term.

The Group had distributed the final dividend declared for the financial year ended 31 March 2021 and interim dividend for the six months period ended 30 September 2021 amounting to an aggregate total of HK\$38.8 million.

The Group had no gearing (being total interest bearing liabilities divided by total assets) as at 31 March 2022 and 2021.

As at 31 March 2022, the Group had a cash balance of HK\$461.0 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 had no material exposure to foreign exchange fluctuations.

The Group has a strong balance sheet and cash position to enable it to meet its business needs, support its investment plans, and fulfill the dividend payment policy as well as weather the currently challenging operating and economic environment. We will continue to maintain prudent and disciplined financial and cash flow management.

OUTLOOK

Amid the COVID-19 crisis, digital advertising and marketing is growing exponentially and has taken the largest slice from the local advertising spending. Both readers and marketers have shifted rapidly toward digital channels. In order to drive viewership and enhance our audience's user experience by providing premium personalised content and to meet marketers' rising needs in targeted marketing, the Group continued its investments in digital capabilities including data and analytical tool for quality content creation, audience behavior studies, advanced analytics, cloud computing and smart marketing strategy. We believe that these initiatives are invaluable to the Group's sustainable growth and long-term business development.

After a rebound in 2021, global growth is expected to decelerate amid the heightened geopolitical tensions, elevated inflation and the expected tightening monetary policies, interest rate hike and further supply chain disruptions. The evolving global pandemic and development of China-US relations continued to weigh on the global and local economic recovery. Nonetheless, the improving local epidemic situation together with new round of government support and relief measures would help the revival of local consumption and employment in the remaining year.

Looking ahead, the global economy will continue to face significant challenges and uncertainties. We will closely monitor the economic and political situations, take a cautious and prudent approach in cost management, operational efficiency and financial discipline. The Group is in a strong financial position with cash balance of approximately HK\$461 million as at 31 March 2022. We are determined to maintain a sustainable dividend policy as well as strong liquidity to preserve its strength for strategic business investment and development. All indications point towards a challenging year to come but we are confident that, we are well positioned to capture new opportunities and weather any storms ahead.

EMPLOYEES

As at 31 March 2022, the Group had 1,387 employees (31 March 2021: 1,397 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 6.5 cents per share in respect of the year ended 31 March 2022 to the shareholders whose names appear on the Register of Members of the Company at the close of business on 19 August 2022, amounting to HK\$28,054,000. The final dividend, payable on 9 September 2022, is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be held on 11 August 2022 (“the Meeting”).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 8 August 2022 to 11 August 2022 (both days inclusive) and 22 August 2022 to 24 August 2022 (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 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on 5 August 2022. 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 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong (if the transfer will be lodged before 15 August 2022) or 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (if the transfer will be lodged on or after 15 August 2022) for registration not later than 4:30 p.m. on 19 August 2022.

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 2022 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 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 confirmed their compliance with the required standard set out in the Model Code throughout the year ended 31 March 2022.

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 2022.

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. Sin Hendrick 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, 27 June 2022

As at the date of this announcement, the Board comprises: (a) Executive Directors: Mr. Fung Siu Por, Lawrence, Ms. See Sau Mei Salome, Mr. Chan Cho Biu and Ms. Wong Ching; (b) Non-executive Director: Mr. Chu Yu Lun; and (c) Independent Non-executive Directors: Mr. Lo Foo Cheung, Mr. O'Yang Wiley and Mr. Sin Hendrick.

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