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 2008

The Directors of Hong Kong Economic Times Holdings Limited (the "Company") are pleased to announce the audited consolidated final results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2008 as follows:

CONSOLIDATED INCOME STATEMENT

		Year ended 31 March	
		2008	**2007**
	Note	*HK$'000*	*HK$'000*
Turnover	*2*	946,056	833,174
Cost of sales	*3*	(537,083)	(476,578)
Gross profit		408,973	356,596
Other revenues		9,119	6,973
Selling and distribution expenses	*3*	(126,798)	(101,790)
General and administrative expenses	*3*	(130,312)	(115,548)
Operating profit		160,982	146,231
Finance costs		–	(1,135)
Profit before income tax		160,982	145,096
Income tax expense	*4*	(27,414)	(24,706)
Profit for the year		133,568	120,390
Attributable to:			
Equity holders of the Company		132,526	120,041
Minority interests		1,042	349
		133,568	120,390
Earnings per share for profit attributable to equity holders of the Company (expressed in HK cents)			
Basic and diluted	*5*	30.71	27.81
Dividends	*6*	56,972	47,044

CONSOLIDATED BALANCE SHEET

		As at 31 March	
		2008	**2007**
	Note	*HK$'000*	*HK$'000*
Non-current assets			
Intangible assets		29,781	25,539
Property, plant and equipment		207,914	201,050
Lease premium for land		74,168	55,022
Deferred income tax assets		12	8
		311,875	281,619
Current assets			
Inventories		34,007	20,579
Trade receivables	*7*	177,316	154,971
Deposits, prepayments and other receivables		17,624	10,688
Tax recoverable		2,598	539
Pledged time deposits		5,393	3,428
Cash and cash equivalents		302,270	229,966
		539,208	420,171
Current liabilities			
Trade payables	*8*	39,903	25,499
Fees in advance		62,915	43,254
Accruals and other payables		98,246	78,230
Current income tax liabilities		3,053	1,802
		204,117	148,785
Net current assets		335,091	271,386
Total assets less current liabilities		646,966	553,005
Financed by:			
Share capital		43,160	43,160
Reserves			
Proposed final dividends		43,592	34,096
Others		532,257	456,703
Equity holders' funds		619,009	533,959
Minority interests		1,923	881
Total equity		620,932	534,840
Non-current liabilities			
Deferred income tax liabilities		26,034	18,165
Total equity and non-current liabilities		646,966	553,005

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2008

1. Basis of Preparation

The consolidated financial statements of Hong Kong Economic Times Holdings Limited have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants. The consolidated financial statements have been prepared under historical cost convention.

(a) New standard, amendment to standard and interpretations effective in year 2008

The following new standard, amendment to standard and interpretations are relevant to the Group and are mandatory for the financial year ended 31 March 2008:

HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment

The adoption of the above new standard, amendment to standard and interpretations did not have a significant impact to the Group's accounting policies except that there were additional disclosures required by HKAS 1 (Amendment) and HKFRS 7.

(b) New/revised standards that are not yet effective and have not been early adopted by the Group

The following new/revised standards have been published and mandatory for accounting period beginning on or after 1 April 2008 or later periods, but the Group has not early adopted:

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 3 (Revised)	Business Combinations
HKFRS 8	Operating segments

The Directors of the Group believe the adoption of the above new/revised standards will not result in substantial changes to the Group's accounting policies except that there will be additional disclosures required by HKAS 1 (Revised) and HKFRS 8.

2. Turnover and Segment Information

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products they provide. Each of the Group's business segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments. At 31 March 2008, the Group is organised into three main business segments:

(1) Publishing and multimedia

(2) Financial news agency, information and solutions

(3) Recruitment advertising and training

Turnover comprises the advertising income, circulation income, service income and enrolment income.

An analysis of the Group's turnover for the year is as follows:

	2008 *HK$'000*	2007 *HK$'000*
Turnover		
Advertising income	598,449	561,603
Circulation income	154,008	125,337
Service income	172,977	128,108
Enrolment income	20,622	18,126
	946,056	833,174

The segment results, capital expenditure and other items in the consolidated income statement for the years ended 31 March 2008 and 2007, and segment assets and liabilities as at 31 March 2008 and 2007 are as follows:

	Year ended 31 March									
	Publishing and multimedia		Financial news agency, information and solutions		Recruitment advertising and training		Corporate		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE										
Turnover, gross	696,221	632,642	173,367	129,550	86,446	81,864	–	–	956,034	844,056
Inter-segment transactions	(8,680)	(9,386)	(1,266)	(1,439)	(32)	(57)	–	–	(9,978)	(10,882)
Turnover, net	687,541	623,256	172,101	128,111	86,414	81,807	–	–	946,056	833,174
RESULT										
Operating profit	90,025	93,712	37,177	15,817	25,666	30,743	8,114	5,959	160,982	146,231
Finance costs									–	(1,135)
Profit before income tax									160,982	145,096
Income tax expense									(27,414)	(24,706)
Profit for the year									133,568	120,390
Attributable to:										
Equity holders of the Company									132,526	120,041
Minority interests									1,042	349
									133,568	120,390
SEGMENT ASSETS	477,335	424,139	70,279	41,018	46,337	42,555	257,132	194,078	851,083	701,790
SEGMENT LIABILITIES	116,569	87,242	69,477	50,743	14,363	8,179	29,742	20,786	230,151	166,950
OTHER INFORMATION										
Capital expenditure	48,480	18,164	9,735	3,465	1,425	2,025	–	–	59,640	23,654
Depreciation	23,729	22,196	3,521	3,274	978	963	–	–	28,228	26,433
Amortisation of lease premium for land and customer relationships	146	127	755	6	–	–	–	–	901	133
(Reversal of)/provision for impairment of receivables and obsolete inventories	573	113	412	(939)	(60)	(457)	–	–	925	(1,283)

3. Expenses by Nature

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

	2008	2007
	HK$'000	*HK$'000*
Crediting		
Reversal of provision for impairment of receivables	152	2,198
Gain on disposal of property, plant and equipment	38	–
Charging		
Amortisation of customer relationships	749	–
Amortisation of lease premium for land	152	133
Auditors' remuneration	2,178	1,980
Bad debts written off	312	591
Depreciation of property, plant and equipment	28,228	26,433
Loss on disposal of property, plant and equipment	–	50
Operating lease rentals on land and buildings	10,058	6,627
Provision for impairment of receivables	504	357
Provision for obsolete inventories	573	558
Staff costs	367,914	332,490

4. Income Tax Expense

Hong Kong profits tax has been provided at the rate of 17.5% (2007: 17.5%) on the estimated assessable profit for the year. No provision for People's Republic of China ("PRC") enterprise income tax has been made as there is no PRC assessable income generated by the Group during the year.

	2008	2007
	HK$'000	*HK$'000*
Current income tax		
Hong Kong profits tax	20,412	19,792
Under-provisions in prior years	10	102
Deferred income tax	6,992	4,812
	27,414	24,706

5. Earnings Per Share

The calculation of basic earnings per share for current year is based on profit attributable to equity holders of the Company of HK$132,526,000 and number of 431,600,000 shares in issue during the year.

The comparative basic earnings per share is calculated based on profit attributable to equity holders of the Company of HK$120,041,000 and number of 431,600,000 shares in issue during the previous year.

No diluted earnings per share was presented as there were no dilutive potential ordinary shares during the years ended 31 March 2008 and 2007.

6. Dividends

	2008	2007
	HK$'000	*HK$'000*
Dividends attributable to the year		
Interim dividend paid of HK 3.1 cents (2007: HK 3.0 cents) per ordinary share	13,380	12,948
Proposed final dividend of HK 10.1 cents (2007: HK 7.9 cents) per ordinary share	43,592	34,096
	56,972	47,044
Dividends paid during the year	47,476	37,549

A final dividend in respect of the year ended 31 March 2008 of HK 10.1 cents per share, amounting to a total dividend of HK$43,592,000 is to be proposed at the annual general meeting on 29 July 2008. This proposed dividend is not reflected as a dividend payable in the consolidated balance sheet, but will be reflected as an appropriation of retained earnings.

7. Trade Receivables

The credit period granted by the Group to its trade customers ranges from 0 to 90 days. An ageing analysis of trade receivables by overdue date is as follows:

	2008	2007
	HK$'000	*HK$'000*
0 to 30 days	109,439	107,963
31 to 60 days	32,868	26,576
61 to 90 days	14,199	11,901
Over 90 days	23,574	10,945
Trade receivables, gross	180,080	157,385
Less: provision for impairment of receivables	(2,764)	(2,414)
	177,316	154,971

8. Trade Payables

An ageing analysis of trade payables is as follows:

	2008	2007
	HK$'000	*HK$'000*
0 to 30 days	34,896	24,034
31 to 60 days	4,169	768
61 to 90 days	156	453
Over 90 days	682	244
	39,903	25,499

9. Acquisition of a Business

On 15 June 2007, the Group acquired a funds settlement system business from an unrelated third party, for a cash consideration of HK$3,500,000.

During the year, the acquired business contributed revenue and profits attributable to equity holders of the Company of HK$1,900,000 and HK$880,000 respectively for the period from 15 June 2007 to 31 March 2008. If the acquisition had occurred on 1 April 2007, Group's revenue and profits attributable to equity holders of the Company would have been increased by HK$2,300,000 and HK$950,000 respectively.

Details of net assets acquired are as follows:

	HK$'000
Purchase consideration – cash paid	3,500
Fair value of net assets acquired – shown as below	4,118
Negative goodwill	(618)

The assets and liabilities as of 15 June 2007 arising from the acquisition are as follows:

	Fair Value *HK$'000*	**Acquiree's carrying amount** *HK$'000*
Intangible assets – customer relationships	4,991	–
Property, plant and equipment – computer hardware	–	–
Deferred income tax liabilities	(873)	–
Net assets acquired	4,118	–
Purchase consideration settled in cash	3,500	
Cash and cash equivalents acquired	–	
Cash outflow on acquisition	3,500	

There was no acquisition in the year ended 31 March 2007.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

During this challenging year of operation, especially with the implementation of the abolition of mandatory requirement to publish announcements in newspapers by Main Board listed issuers effective from 25 June 2007, the Group managed to outperform pervious year's results with double-digit growth in both revenue and net profit.

The publishing and multimedia segment, riding on the strong economic growth of Hong Kong, had achieved a result better than expected despite the significant decrease of announcement advertisement revenue during the year. The launch of *iMoney*, a financial weekly magazine, in October 2007 received encouraging responses and contributed to the growth in revenue of the segment.

The financial news agency, information and solutions segment benefited from the buoyant stock market and strong demand for real time financial news and information, continued its growing thrust and recorded remarkably good results in the year under review. The growth offset the effect of the change in listing rule to the Group's net profit, evidencing the success of the Group's long established business diversification strategy.

Unemployment rate maintained at a relatively low level and together with the respective teams' endured effort, the recruitment advertising and training segment managed to achieve 6% growth in revenue despite the fierce competition environment both from peers and the increasing significance of the internet player in the market. The segment had invested for brand building and promotion this financial year.

With our continued efforts to strive for larger market share and penetrate to reach other income sources, the Group recorded another fruitful year of operations.

Turnover

Advertising income for the year ended 31 March 2008 recorded an increase of 7% as compared to the year ended 31 March 2007. Despite the significant drop of announcement advertisements revenue, our dedicated advertising team strived to expand our market share in other segments or classes of advertising dollars, thus managed to maintain revenue growth.

The average daily circulation copies of *Hong Kong Economic Times* (audited by Hong Kong Audit Bureau of Circulations) showed a gradual rise over the previous few years. Circulation income recorded an increase of 23% as compared to the year ended 31 March 2007. The increase was partly due to the launch of *iMoney* in October 2007.

Service income for the year ended 31 March 2008 recorded an increase of 35% as compared to the year ended 31 March 2007. The financial news agency, information and solutions segment had continued its engine to growth with the active stock market and high demand for financial information and stock quotation.

Enrolment income for the year ended 31 March 2008 recorded an increase of 14% as compared to the year ended 31 March 2007.

Operating Costs

Gross profit margin for the year ended 31 March 2008 attained 43.2%, which was similar to previous financial year's 42.8%.

Staff costs, being the largest single item of operating cost of the Group, rose by 11% as compared to the year ended 31 March 2007 and representing approximately 46% of the total operating costs, which was similar to the previous financial year. The increase in staff costs was mainly due to general pay rise pressure from the stringent employment market and increase in headcount to support the Group's business expansion. The new investment in *iMoney* also contributed to the increase in staff costs.

Newsprint costs, constituting around 14% of the Group's total operating costs for the year ended 31 March 2008 as compared to 16% in the year ended 31 March 2007, recorded a slight increase of 1% over the year ended 31 March 2008. The very moderate increase in newsprint costs, despite the around 9% increase in average circulation copies for the calendar year 2007 as compared to year 2006, was a result of effective cost control in both newsprint consumption volume and material sourcing.

Printing costs increased by 32% as compared to the year ended 31 March 2007 mainly due to the increase in circulation of *U Magazine* and the launch of *iMoney* in October 2007, both were outsourced to independent third party commercial printers.

Content costs increased by 21% as compared to the year ended 31 March 2007 mainly due to the increase in content costs relating to stock quotation business under financial news agency, information and solution segment which achieved remarkable growth in turnover in the year ended 31 March 2008.

Profit Attributable to Equity Holders

The Group was able to achieve another year of double-digit growth in profits for the year ended 31 March 2008. Net profit margin dropped slightly to 14.0% as compared to the 14.4% for the year ended 31 March 2007. The drop was mainly due to the overall rise in operating costs especially staff costs and the investment in the new weekly magazine, *iMoney* during the year. The Group continued to emphasize business diversification with effective costs control.

Investments in *U Magazine* and *Take me Home* were making progress and the Group had started to benefit from the investments. This further supported the Group's business strategy and the continued effort to well-planned and quality business diversification and the credit goes to the Board of Directors composing members with a comprehensive range of professions, knowledge and experiences and the hardworking and passionate staff.

Liquidity and Capital Resources

(in HK$ million)	As at 31 March **2008**	**2007**
Net current assets	335.1	271.4
Cash and cash equivalents	302.3	230.0
Equity holders' fund	619.0	534.0
Gearing ratio	–	–
Current ratio	2.64 times	2.82 times

The Group's net current assets as at 31 March 2008 increased by HK$63.7 million from the position as at 31 March 2007. The increase was mainly due to the continued good operating performance of the Group during the year under review and had taken into account the distribution of the final dividend declared for the financial year ended 31 March 2007 and interim dividend for the six months period ended 30 September 2007 amounting to a total of HK$47.5 million.

The Group continued to achieve steady growth in operating profit. Net cash inflow from operating activities increased in line with the increase in profit attributable to equity holders.

The Group had purchased premises for office and storage use during the year resulting in cash outflow from investing activities which increased by HK$31.1 million. The cash outflow from financing activities of HK$47.5 million for the year ended 31 March 2008 represented payment of final dividend declared for the financial year ended 31 March 2007 and interim dividend for the year ended 31 March 2008. The respective cash outflow from financing activities of HK$107.3 million for the year ended 31 March 2007 included repayment of bank loans and finance leases of approximately HK$69.8 million in August 2006.

The Group had no gearing as at 31 March 2008. Current ratio was similar to that as at 31 March 2007. As at 31 March 2008, the Group had cash balance of HK$302.3 million as compared to HK$230.0 million as at 31 March 2007. The balance was placed under short-term deposits with banks in Hong Kong and was held predominately in Hong Kong dollars hence the Group had no significant exposure to foreign exchange fluctuations.

The Group is able to meet its working capital requirements, support investment needs of any future business plans and fulfill the dividend payment policy at the current fund level.

OUTLOOK

With the full year's impact of the HKEx policy change and under an uncertain global economy, the coming financial year will be a year of consolidation for the Group.

The write-offs by financial institutions following the sub-prime mortgage problems in the U.S. economy had led to global credit tightening. With the U.S. housing prices still on the fall and credit crunch not yet near the end, the western economies would take much longer time to recover. Hong Kong, being one of the world's most open economies, cannot emerge unscathed.

The world is entering into an era of commodity-led inflation triggered by soaring prices of oil and primary materials. Our two major operating costs, staff and newsprint costs, are exerting pressure on the Group's bottom line. The very low unemployment rate in Hong Kong, together with staff's expectation of pay increase to cope with inflation, had added loading to the Group's overhead. Newsprint prices are expected to continue to rise in the coming year. Though the Group has continuously exercised effective control on newsprint consumption and has diversified our sources of supply, a cut into our profit margin seems inevitable.

Print media is facing the mounting challenge of the internet particularly from the evolving reading habits of our younger generation. The magnitude of the impact, though increasing, is not yet significant in the Hong Kong market. Still, we have to look ahead and prepare ourselves for such fundamental and structural changes in readers' habits. The Group has decided to step up its investment in internet business to provide products and services deploying our quality contents and creating additional synergistic values.

Financial Year 2008/09 as another challenging year during which we shall move forward cautiously. We shall continue to invest in our existing Business Units to strengthen their leadership position in the market. At the same time, we shall also expand actively in internet business. With the right strategic positioning and competent operation, we are very confident about the future of the Group.

EMPLOYEES

As at 31 March 2008, the Group had 1,377 employees (31 March 2007: 1,277 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.

DIVIDEND

The Directors recommend a payment from the distributable reserves of the Company a final dividend of HK 10.1 cents per share in respect of the year ended 31 March 2008 to the shareholders whose names appear on the register of members of the Company at the close of business on 23 July 2008, amounting to HK$43,592,000. The final dividend, payable on 31 July 2008, is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be held on 29 July 2008.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 24 July 2008 to 29 July 2008, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, and be eligible to attend and vote at the forthcoming annual general meeting of the Company, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 23 July 2008.

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 CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "Code Provisions") contained in Appendix 14 of the Listing Rules for the year ended 31 March 2008 except as stated and explained below.

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

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

All Directors of the Company have confirmed their compliance with the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules throughout the year ended 31 March 2008.

AUDIT COMMITTEE

The Company established an Audit Committee on 29 April 2005 with written terms of reference. The Audit Committee comprises three Independent Non-executive Directors, Mr. Chan Mo Po, Paul as Committee Chairman, Mr. Chow On Kiu and Mr. Lo Foo Cheung. The Audit Committee has reviewed the Group's audited final results for the year ended 31 March 2008.

REMUNERATION COMMITTEE

The Company established a Remuneration Committee on 29 April 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 and Mr. Chow On Kiu.

NOMINATION COMMITTEE

The Company established a Nomination Committee on 29 April 2005 with written terms of reference. The Nomination Committee comprises Non-executive Director, Mr. Chu Yu Lun and two Independent Non-executive Directors, Mr. Chow On Kiu and Mr. Chan Mo Po, Paul.

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

Hong Kong, 23 June 2008

This announcement is also published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company's wedsite at www.hketgroup.com and http://hketgroup.etnet.com.hk. The Group's Annual Report 2007/2008 containing all the information required by the Rules Governing the Listing of Securities on the Stock Exchange will be dispatched to shareholders and published on the above websites in due course.

As at the date of announcement, the Board comprises: (a) the Executive Directors: Mr. Fung Siu Por, Lawrence, Mr. Mak Ping Leung (alias: Mr. Mak Wah Cheung), Mr. Chan Cho Biu, Mr. Shek Kang Chuen, Ms. See Sau Mei Salome and Mr. Chan Wa Pong; (b) the Non-executive Director: Mr. Chu Yu Lun; and (c) the Independent Non-executive Directors: Mr. Chan Mo Po, Paul, Mr. Chow On Kiu and Mr. Lo Foo Cheung.