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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 2021

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 2021 as follows:

#### CONSOLIDATED INCOME STATEMENT

		Year ended 31 March	
		2021	2020
	Note	HK\$'000	HK\$'000
<b>Revenue</b>	2	<b>999,937</b>	1,131,823
Cost of sales	3	(584,289)	(688,004)
Gross profit		<b>415,648</b>	443,819
Selling and distribution expenses	3	(178,725)	(197,217)
General and administrative expenses	3	(208,994)	(225,049)
Net impairment losses on financial assets		(1,293)	(3,616)
Impairment losses on non-current assets		(79,778)	–
Other income		<b>78,923</b>	2,385
Operating profit		<b>25,781</b>	20,322
Finance income		<b>2,269</b>	4,047
Finance costs		(498)	(701)
Finance income – net		<b>1,771</b>	3,346
<b>Profit before income tax</b>		<b>27,552</b>	23,668
Income tax credit/(expense)	4	<b>5,399</b>	(11,212)
<b>Profit for the year</b>		<b>32,951</b>	12,456
Profit attributable to:			
Owners of the Company		<b>30,916</b>	10,573
Non-controlling interests		<b>2,035</b>	1,883
		<b>32,951</b>	12,456
Earnings per share attributable to owners of the Company (expressed in HK cents)			
Basic and diluted	5	<b>7.16</b>	2.45

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 March	
	2021	2020
	HK\$'000	HK\$'000
<b>Profit for the year</b>	<b>32,951</b>	12,456
Other comprehensive income:		
Item that may be reclassified to profit or loss		
Currency translation differences arising from foreign operations	742	(707)
Item that will not be reclassified subsequently to profit or loss		
Remeasurement of long service payment provision	1,980	4,398
Other comprehensive income for the year, net of tax	2,722	3,691
<b>Total comprehensive income for the year</b>	<b>35,673</b>	16,147
Total comprehensive income attributable to:		
Owners of the Company	33,638	14,264
Non-controlling interests	2,035	1,883
	<b>35,673</b>	16,147

## CONSOLIDATED BALANCE SHEET

		As at 31 March	
	Note	2021 HK\$'000	2020 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		459,610	559,646
Investment properties		5,949	6,116
Deferred income tax assets		28,128	22,631
Deposits paid for property, plant and equipment		270	2,721
		<b>493,957</b>	591,114
<b>Current assets</b>			
Inventories		16,836	34,634
Trade receivables	7	179,023	165,511
Deposits and other receivables		17,513	18,528
Prepayments		15,133	14,500
Tax recoverable		2,496	2,390
Pledged deposits		1,742	1,702
Term deposits with original maturities of over three months		240,823	164,551
Cash and cash equivalents		227,917	220,525
		<b>701,483</b>	622,341
<b>Current liabilities</b>			
Trade payables	8	25,920	25,875
Fees in advance		113,776	130,979
Accruals, other payables and provisions		103,387	98,177
Lease liabilities		17,165	8,108
Current income tax liabilities		3,403	2,445
		<b>263,651</b>	265,584
<b>Net current assets</b>		<b>437,832</b>	356,757
<b>Total assets less current liabilities</b>		<b>931,789</b>	947,871
<b>Equity attributable to owners of the Company</b>			
Share capital		43,160	43,160
Reserves		848,281	844,855
		<b>891,441</b>	888,015
Non-controlling interests		19,129	17,094
<b>Total equity</b>		<b>910,570</b>	905,109
<b>Non-current liabilities</b>			
Deferred income tax liabilities		16,996	30,945
Lease liabilities		1,654	6,960
Other non-current liabilities		2,569	4,857
		<b>21,219</b>	42,762
<b>Total equity and non-current liabilities</b>		<b>931,789</b>	947,871

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2021

## 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) New and amended standards adopted by the Group

The following new standards and amendments to standards are relevant to the Group’s operation and are mandatory for the financial year ended 31 March 2021:

HKFRS 3 (amendments)	Definition of business
HKAS 1 and HKAS 8 (amendments)	Definition of material
Conceptual Framework for Financial Reporting 2018	Revised conceptual framework for financial reporting

The Group has early adopted Amendment to HKFRS 16 “COVID-19-Related Rent Concessions” retrospectively from 1 April 2020. The amendment provides an optional practical expedient allowing lessees to elect not to assess whether a rent concession related to COVID-19 is a lease modification. Lessees adopting this election may account for qualifying rent concessions in the same way as they would if they were not lease modifications. The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met: a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; b) any reduction in lease payments affects only payments due on or before 30 June 2021; and c) there is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedient to all qualifying COVID-19-related rent concessions. Rent concessions of approximately HK\$200,000 have been accounted for as negative variable lease payments and recognised in ‘general and administrative expenses’ in the consolidated income statement for the year ended 31 March 2021, with a corresponding adjustment to the lease liabilities. There is no impact on the opening balance of equity at 1 April 2020.

A number of new or amended standards became applicable for the current reporting period. Except for the Amendment to HKFRS 16 set out above, the adoption of the other 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, except for certain changes in presentation and disclosures.

*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 2020 and have not been early adopted by the Group.

		<b>Effective for accounting periods beginning on or after</b>
HKFRS 3 (amendments)	Reference to the conceptual framework	1 January 2022
HKAS 16 (amendments)	Property, plant and equipment: Proceeds before intended use	1 January 2022
HKAS 37 (amendments)	Onerous contracts – Cost of fulfilling a contract	1 January 2022
Annual improvement projects	Annual improvements 2018-2020 Cycle	1 January 2022
HKAS 1 (amendments)	Classification of liabilities as current or non-current	1 January 2023

None of these amendments is expected to have a significant impact on the consolidated financial statements of the Group.

## **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:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Revenue</b>		
Advertising income	<b>523,756</b>	592,749
Circulation income	<b>69,382</b>	82,231
Service income	<b>406,799</b>	456,843
	<b>999,937</b>	1,131,823

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 2021 and 2020 are as follows:

	Media		Financial news agency, information and solutions		Corporate		Total	
	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>REVENUE</b>								
Revenue	<b>667,442</b>	796,913	<b>338,446</b>	340,913	–	–	<b>1,005,888</b>	1,137,826
Inter-segment transactions	<b>(1,163)</b>	(973)	<b>(4,788)</b>	(5,030)	–	–	<b>(5,951)</b>	(6,003)
Revenue								
– from external customers	<b>666,279</b>	795,940	<b>333,658</b>	335,883	–	–	<b>999,937</b>	1,131,823
<b>EXPENSES</b>								
Impairment losses on non-current assets	<b>(79,778)</b>	–	–	–	–	–	<b>(79,778)</b>	–
<b>RESULTS</b>								
Profit/(loss) for the year	<b>(28,632)</b>	(37,694)	<b>61,530</b>	50,163	<b>53</b>	(13)	<b>32,951</b>	12,456

For the year ended 31 March 2021, revenue of approximately HK\$57,383,000 (2020: HK\$68,573,000) is derived from a single external customer. The revenue is attributable to the media segment.

The Group is domiciled in Hong Kong. The revenue from external customers attributed to Hong Kong is HK\$999,937,000 (2020: HK\$1,129,575,000) and no revenue from external customer attributable to other locations for the year ended 31 March 2021 (2020: HK\$2,248,000). 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\$465,515,000 (2020: HK\$568,100,000) and HK\$314,000 (2020: HK\$383,000), respectively.

### 3. Expenses by nature

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

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Charging</b>		
Staff costs including Directors' and CEO's remuneration	<b>549,280</b>	592,673
Content expenses	<b>114,855</b>	113,054
Cost of inventories sold or consumed	<b>67,103</b>	130,165
Auditors' remuneration	<b>2,702</b>	2,800
Depreciation of property, plant and equipment and investment properties	<b>64,118</b>	74,304
Loss on disposal of property, plant and equipment	<b>517</b>	5
Provision for obsolete inventories	<b>14</b>	31
Inventories written off	<b>173</b>	279

### 4. Income tax (credit)/expense

Hong Kong profits tax has been provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profit for the year. The PRC enterprise income tax has been calculated at the rate of 25% (2020: 25%) on the estimated assessable profit of subsidiaries operating in the PRC.

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current income tax		
Hong Kong profits tax	<b>14,178</b>	14,569
PRC enterprise income tax	<b>29</b>	27
Over-provisions in prior years	<b>(160)</b>	(272)
Total current income tax	<b>14,047</b>	14,324
Deferred income tax	<b>(19,446)</b>	(3,112)
Income tax (credit)/expense	<b>(5,399)</b>	11,212

## 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\$30,916,000 (2020: HK\$10,573,000) and the number of 431,600,000 (2020: 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 2021 (2020: same).

## 6. Dividends

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Dividends attributable to the year</b>		
Interim dividend paid of HK 2.0 cents (2020: HK 2.0 cents) per ordinary share	8,632	8,632
Proposed final dividend of HK 6.0 cents (2020: HK 5.0 cents) per ordinary share	25,896	21,580
	<b>34,528</b>	30,212
Dividends paid during the year	<b>30,212</b>	36,686

A final dividend in respect of the year ended 31 March 2021 of HK 6.0 cents per ordinary share, amounting to a total dividend of HK\$25,896,000, is to be proposed at the annual general meeting on 5 August 2021. 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:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0 to 30 days	67,907	52,561
31 to 60 days	41,720	36,197
61 to 90 days	23,845	22,470
Over 90 days	52,082	59,891
Trade receivables, gross	185,554	171,119
Less: provision for impairment of trade receivables	(6,531)	(5,608)
	<b>179,023</b>	165,511

## 8. Trade payables

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

	<b>2021</b>	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 to 30 days	<b>21,035</b>	21,017
31 to 60 days	<b>784</b>	952
61 to 90 days	<b>371</b>	7
Over 90 days	<b>3,730</b>	3,899
	<b>25,920</b>	25,875

## MANAGEMENT DISCUSSION AND ANALYSIS

### Summary of Profit and Loss Account

	Year ended 31 March		% Change
	2021 HK\$'000	2020 HK\$'000	
<b>Revenue</b>	<b>999,937</b>	<b>1,131,823</b>	<b>-12%</b>
Cost of sales	(584,289)	(688,004)	-15%
Gross profit	415,648	443,819	-6%
<b>Gross profit margin</b>	<b>41.6%</b>	<b>39.2%</b>	
Selling and distribution expenses	(178,725)	(197,217)	-9%
General and administrative expenses	(208,994)	(225,049)	-7%
Net impairment losses on financial assets	(1,293)	(3,616)	-64%
Impairment losses on non-current assets	(79,778)	–	N/A
Other income	78,923	2,385	N/A
Operating profit	25,781	20,322	27%
Finance income – net	1,771	3,346	-47%
Profit before income tax	27,552	23,668	16%
Income tax credit/(expense)	5,399	(11,212)	N/A
<b>Profit for the year</b>	<b>32,951</b>	<b>12,456</b>	<b>165%</b>
Non-controlling interests	(2,035)	(1,883)	8%
<b>Profit attributable to owners</b>	<b>30,916</b>	<b>10,573</b>	<b>192%</b>
<b>Net profit margin</b>	<b>3.3%</b>	<b>1.1%</b>	

### General

The COVID-19 pandemic has caused severe disruptions to local consumption and business activities. Despite there are signs of recovery in the first quarter of 2021, the pace of recovery was uneven and the overall economic activity was still below the pre-pandemic level.

Impacted by the adverse market conditions, the Group's revenue for the financial year ended 31 March 2021 decreased by HK\$131.9 million or 12% over last financial year to HK\$999.9 million. Profit attributable to owners, however, registered an increase of HK\$20.3 million, from HK\$10.6 million to HK\$30.9 million for the financial year ended 31 March 2021, with improved net profit margin resulting from the effective cost control measures.

## Revenue

	Year ended 31 March		
	2021	2020	% Change
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Revenue:			
Advertising income	<b>523,756</b>	592,749	-12%
Circulation income	<b>69,382</b>	82,231	-16%
Service income	<b>406,799</b>	456,843	-11%
Total	<b>999,937</b>	1,131,823	-12%

Advertising income, mainly contributed by the Group's printed publications and digital platforms, recorded HK\$523.8 million for the financial year ended 31 March 2021, a drop of HK\$69.0 million, or 12% from the last financial year. Local consumption and business activities were severely disrupted by the COVID-19 pandemic. Advertising income from Group's printed publications decreased significantly in the first half of the financial year. The social distancing and other anti-epidemic measures have further accelerated the digital transformation of local media. Both consumers and advertisers have moved rapidly toward digital channels. The Group's digital advertising income generated from various digital platforms has registered a notable growth and was able to compensate part of the loss in advertising income from printed publications.

Circulation income recorded a decrease of 16% from HK\$82.2 million for the year ended 31 March 2020 to HK\$69.4 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 2021 decreased by 11% from HK\$456.8 million in preceding financial year to HK\$406.8 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 drop was mainly caused by the decrease of printing services income, in line with the decrease of print volume of most periodicals and promotional activities in the market. Service income from financial news agency, information and solutions remained solid for the financial year under review.

## **Operating Costs**

Gross profit margin for the year ended 31 March 2021 improved by 2.4 percentage point to 41.6% from 39.2% for the year ended 31 March 2020. During the year under review, management had reorganised and redeployed the operational resources to improve cost effectiveness of the Group's operations.

Staff costs, representing approximately 57% of the Group's total operating costs, decreased by 7% as compared to the year ended 31 March 2020. The decrease was mainly due to the decrease in headcount after rationalisation of the Group's operational resources.

Content costs which mainly represent market data license fees of various exchanges, financial index providers and foreign news agencies, constituting around 12% of the Group's total operating costs, increased by 2% when compared to the year ended 31 March 2020. The increase was in line with the market data usage of customers who had subscribed for ET Net quotation services under the financial news agency, information and solutions segment.

## **Impairment Losses on Non-current Assets**

The prolonged unprecedented COVID-19 pandemic and the associated anti-epidemic measures extended following the fourth wave of COVID-19 infections in late 2020 had further accelerated the digital transformation of local media. Management noted the trend of shrinking demand for printed newspapers is becoming irrevocable. In view of the economic performance of the printing presses which was worse than expected, management considered that impairment indicators were identified. Based on the latest market conditions, management had performed impairment assessment for the carrying amount of the printing presses, including property, plant and equipment and right-of-use assets as at 31 March 2021. The impairment assessment was carried out by determining the recoverable amount of the printing presses based on the higher of fair value less cost of disposal and value-in-use calculation. The carrying amount of the printing presses is written down to its recoverable amount if the carrying amount is greater than its estimated recoverable amount. Management used discounted cash flow projections from the financial budgets covering a period of remaining useful life of the relevant assets to determine the recoverable amount under the value-in-use calculation and performed market search to estimate the recoverable amount of the relevant assets based on the fair value less cost of disposal calculation. The assessment resulted in impairment losses on non-current assets of HK\$79.8 million for the financial year under review.

## **Income Tax (Credit)/Expense**

The Group recorded an income tax credit for the current financial year as compared to the income tax expense in the last financial year. The Group's 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 decrease 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. The Group would closely monitor the related operations from time to time.

## **Profit Attributable to Owners**

Profit attributable to owners of the Group, after the government subsidies under the Anti-epidemic Fund of HK\$77.2 million and the impairment losses on non-current assets of HK\$79.8 million, was HK\$30.9 million, an increase of HK\$20.3 million as compared to the last financial year. Net profit margin increased by 2.2 percentage point to 3.3% for the financial year under review.

Media segment recorded negative operating results for the financial year under review. The segment was adversely affected by the weak consumer and business sentiments caused by COVID-19 pandemic. Despite the decrease of print advertising income, digital advertising income maintained its growth momentum and was the main driver of growth of this segment. 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 to bring in sustainable growth and better profit.

Financial news agency, information and solutions segment, remained the solid profit contributor to the Group, recorded an increase in results for the year ended 31 March 2021 when compared to the last financial year. Benefited by the buoyant IPO market and robust trading activities of the securities and wealth management market, this segment had secured several financial solution projects during the year under review. The Group will continue its talent and technology inputs into the mobile platform development to meet the rising demand in the mobile banking and securities trading services.

## Liquidity and Capital Resources

(in HK\$ million)	As at 31 March	
	2021	2020
Net current assets	<b>437.8</b>	356.8
Term deposits, pledged deposits and cash and cash equivalents	<b>470.5</b>	386.8
Owners' funds	<b>891.4</b>	888.0
Gearing ratio	N/A	N/A
Current ratio	<b>2.66 times</b>	2.34 times

The Group's net current assets as at 31 March 2021 increased by HK\$81.0 million from HK\$356.8 million to HK\$437.8 million. An Employment Support Scheme subsidy of HK\$77.0 million was granted by the Hong Kong Government under the Anti-epidemic Fund for use of paying part of the wages of employees for the year under review.

Net cash used in investing activities was HK\$93.8 million, consisting of HK\$19.9 million used in purchase of property, plant and equipment and HK\$76.3 million placed on term deposits with original maturities of over three months.

The Group had distributed the final dividend declared for the financial year ended 31 March 2020 and interim dividend for the six months period ended 30 September 2020 amounting to an aggregate total of HK\$30.2 million.

The Group had no gearing (being total interest bearing liabilities divided by total assets) as at 31 March 2021 and 2020.

As at 31 March 2021, the Group had a cash balance of HK\$470.5 million as compared to HK\$386.8 million as at 31 March 2020. 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.

## **OUTLOOK**

Border restrictions, quarantines, social distancing and other anti-epidemic measures have accelerated the digital transformation of local media. Both readers and advertisers have shifted rapidly toward digital channels. To enhance our user experience by providing personalised content and to match the marketers' increased needs for target marketing, the Group has increased its investment in digital capabilities including data and analytical tool for quality content creation, audience behavior studies, advance analytics, cloud computing and smart marketing strategy. We believe that these initiatives are invaluable to our sustainable growth and long-term business development.

The global economic outlook, amid strong fiscal and monetary support in major economies and the rollout of mass vaccination programs, improves markedly in 2021. Benefited from the sharp rebound in global demand, Hong Kong economy shows visible signs of recovery in the first quarter of 2021. However, the recovery is uneven and uncertainty associated with the pandemic is still high. Social distancing requirements and travel restrictions continue to weigh on certain economic segments particularly those consumer-facing activities.

Looking ahead, the global and local economies will continue to be shaped by the impact of the Covid-19 pandemic, the China-US relations under the new US administration and geopolitical tensions. 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\$471 million as at 31 March 2021. We are determined to maintain a sustainable dividend policy as well as strong liquidity to preserve our strength for strategic business investment and development. While the global economic outlook remain challenging, with our competitive strengths built over the years, we are well placed to capture the opportunities and meet the challenges ahead.

## **EMPLOYEES**

As at 31 March 2021, the Group had 1,397 employees (31 March 2020: 1,440 employees). The Directors believe that employees are the most valuable assets of the Group and competitive remuneration packages are offered to retain quality staff. Employee benefits include medical insurance, discretionary bonus, provident fund schemes and other staff benefits.

## **DIVIDENDS**

The Directors recommend a payment from the distributable reserves of the Company a final dividend of HK 6.0 cents per share in respect of the year ended 31 March 2021 to the shareholders whose names appear on the Register of Members of the Company at the close of business on 13 August 2021, amounting to HK\$25,896,000. The final dividend, payable on 3 September 2021, is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be held on 5 August 2021 (“the Meeting”).

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Company will be closed from 2 August 2021 to 5 August 2021 (both days inclusive) and 16 August 2021 to 18 August 2021 (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 30 July 2021. 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 for registration not later than 4:30 p.m. on 13 August 2021.

## **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 2021 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 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 Audit Committee has reviewed the Group’s audited final results for the year ended 31 March 2021.

### **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, 21 June 2021

*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. Chow On Kiu, Mr. Lo Foo Cheung and Mr. O'Yang Wiley.*

*This announcement is published on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's websites at [www.hketgroup.com](http://www.hketgroup.com) and at [www.etnet.com.hk/etg](http://www.etnet.com.hk/etg). The Group's Annual Report 2020/2021 containing all the information required by the Listing Rules will be dispatched to shareholders and published on the above websites in due course.*