



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 2022/2023



INTERIM RESULTS 2022/2023

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 2022. These results have been reviewed by the Company’s auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” and by the Audit Committee of the Company.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	Unaudited For the six months ended 30 September	
		2022 HK\$'000	2021 HK\$'000
Revenue	3	515,229	520,463
Cost of sales	5	(298,147)	(289,420)
Gross profit		217,082	231,043
Selling and distribution expenses	5	(101,414)	(94,051)
General and administrative expenses	5	(108,414)	(106,573)
Net impairment losses on financial assets		(1,408)	(862)
Other income	4	34,598	867
Operating profit		40,444	30,424
Finance income	6	1,822	629
Finance costs	6	(250)	(147)
Finance income – net	6	1,572	482
Profit before income tax		42,016	30,906
Income tax expense	7	(6,135)	(7,016)
Profit for the period		35,881	23,890
Profit attributable to:			
Owners of the Company		35,117	23,158
Non-controlling interests		764	732
		35,881	23,890
Earnings per share attributable to owners of the Company (expressed in HK cents)			
Basic and diluted	8	8.14	5.37

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	
	2022	2021
	HK\$'000	HK\$'000
Profit for the period	35,881	23,890
Other comprehensive (loss)/income:		
Item that may be reclassified to profit or loss		
Currency translation differences arising from foreign operations	(1,028)	137
Other comprehensive (loss)/income for the period, net of tax	(1,028)	137
Total comprehensive income for the period	34,853	24,027
Total comprehensive income attributable to:		
Owners of the Company	34,089	23,295
Non-controlling interests	764	732
	34,853	24,027

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
		2022	2022
	<i>Note</i>	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment	10	447,492	436,576
Investment properties		42,563	42,950
Deferred income tax assets		23,290	23,449
Deposits paid for property, plant and equipment		6,201	–
		519,546	502,975
Current assets			
Inventories		25,787	23,706
Trade receivables	11	193,102	178,549
Deposits and other receivables		33,740	15,685
Prepayments		19,782	14,733
Tax recoverable		205	1,723
Term deposits with original maturities of over three months		215,607	98,190
Cash and cash equivalents		191,849	362,765
		680,072	695,351
Current liabilities			
Trade payables	12	27,601	30,774
Fees in advance		129,680	124,135
Accruals, other payables and provisions		88,629	113,780
Lease liabilities		9,904	2,802
Current income tax liabilities		3,356	164
		259,170	271,655
Net current assets		420,902	423,696
Total assets less current liabilities		940,448	926,671

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

		Unaudited	Audited
		As at	As at
		30 September	31 March
		2022	2022
	<i>Note</i>	HK\$'000	HK\$'000
Equity attributable to owners of the Company			
Share capital	13	43,160	43,160
Reserves		848,216	842,181
		891,376	885,341
Non-controlling interests		21,045	20,281
Total equity		912,421	905,622
Non-current liabilities			
Deferred income tax liabilities		18,874	17,614
Lease liabilities		4,932	357
Other non-current liabilities		4,221	3,078
		28,027	21,049
Total equity and non-current liabilities		940,448	926,671

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 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	
Balance at 1 April 2022	43,160	8,007	69,944	6,120	1,036	9,030	748,044	885,341	20,281	905,622	
Profit for the period	-	-	-	-	-	-	35,117	35,117	764	35,881	
Other comprehensive loss											
Currency translation differences arising from foreign operations	-	-	-	-	(1,028)	-	-	(1,028)	-	(1,028)	
Total comprehensive (loss)/income	-	-	-	-	(1,028)	-	35,117	34,089	764	34,853	
Transaction with owners											
Final dividend for the year ended 31 March 2022 (note 9)	-	-	-	-	-	-	(28,054)	(28,054)	-	(28,054)	
Balance at 30 September 2022	43,160	8,007	69,944	6,120	8	9,030	755,107	891,376	21,045	912,421	

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	
	2022	2021
	HK\$'000	HK\$'000
Cash flows from operating activities		
Cash (used in)/generated from operations	(693)	31,716
Interest paid	(250)	(147)
Profits tax paid	(5)	(2,108)
Net cash (used in)/generated from operating activities	(948)	29,461
Cash flows from investing activities		
Bank interest received	1,822	629
Purchase of property, plant and equipment	(12,948)	(7,990)
Deposits paid for purchase of property, plant and equipment	(6,201)	(266)
Proceeds from disposal of property, plant and equipment	5	68
(Increase)/decrease in term deposits with original maturities of over three months	(117,417)	4,418
Net cash used in investing activities	(134,739)	(3,141)
Cash flows from financing activities		
Final dividend paid to owners of the Company	(28,054)	(25,896)
Principal elements of lease payments	(6,147)	(8,963)
Net cash used in financing activities	(34,201)	(34,859)
Net decrease in cash and cash equivalents	(169,888)	(8,539)
Effect of foreign exchange rate changes, net	(1,028)	137
Cash and cash equivalents at beginning of the period	362,765	227,917
Cash and cash equivalents at end of the period <i>(note)</i>	191,849	219,515

Note: As at 30 September 2022, the total cash and cash equivalents and term deposits with original maturities of over three months amounted to HK\$407,456,000 (30 September 2021: HK\$455,920,000).

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 2022

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 2022 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 2022, 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 2022.

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 2022.

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 2022 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	
	2022	2021
	HK\$'000	HK\$'000
Advertising income	279,621	280,747
Circulation income	25,380	32,061
Service income	210,228	207,655
	515,229	520,463

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 2022 and 2021 are as follows:

	Unaudited							
	For the six months ended 30 September							
	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	356,381	356,446	161,334	166,888	-	-	517,715	523,334
Inter-segment transactions	(550)	(430)	(1,936)	(2,441)	-	-	(2,486)	(2,871)
Revenue – from external customers	355,831	356,016	159,398	164,447	-	-	515,229	520,463
RESULTS								
Profit/(loss) for the period	10,812	864	25,083	23,032	(14)	(6)	35,881	23,890

4. Other income

	Unaudited For the six months ended 30 September	
	2022 HK\$'000	2021 HK\$'000
Rental income from investment properties	1,266	834
Government subsidies (<i>note</i>)	33,296	–
Others	36	33
	34,598	867

Note:

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	
	2022 HK\$'000	2021 HK\$'000
Staff costs including Directors' and CEO's remuneration	289,624	281,325
Content costs	57,255	57,003
Depreciation of property, plant and equipment and investment properties	20,320	21,239
Provision for obsolete inventories	57	12

6. Finance income and costs

	Unaudited For the six months ended 30 September	
	2022 HK\$'000	2021 HK\$'000
Finance income		
Bank interest income	1,822	629
Finance costs		
Interest on leases	(250)	(147)
Finance income – net	1,572	482

7. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits for the period.

	Unaudited	
	For the six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
Current income tax		
Hong Kong profits tax	4,711	6,859
PRC enterprise income tax	5	1
	4,716	6,860

Deferred income tax	1,419	156

	6,135	7,016

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\$35,117,000 (2021: HK\$23,158,000) and the number of 431,600,000 (2021: 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 2022 (2021: same).

9. Dividends

A final dividend in respect of the year ended 31 March 2022 of HK 6.5 cents (2021: HK 6.0 cents) per share, amounting to a total dividend of HK\$28,054,000 (2021: HK\$25,896,000) was paid during the period.

The Directors have declared an interim dividend of HK 3.0 cents (2021: HK 3.0 cents) per share, amounting to HK\$12,948,000 (2021: HK\$12,948,000), for the six months ended 30 September 2022.

10. Property, plant and equipment

	Unaudited							Total HK\$'000
	Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Network and computer equipment	Right-of-use assets	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 31 March 2022								
Cost	170,095	35,002	129,938	190,877	3,624	114,443	298,382	942,361
Accumulated depreciation and impairment	(49,282)	(28,791)	(106,514)	(174,363)	(2,144)	(101,734)	(42,957)	(505,785)
Net book value at 31 March 2022	120,813	6,211	23,424	16,514	1,480	12,709	255,425	436,576
At 1 April 2022	120,813	6,211	23,424	16,514	1,480	12,709	255,425	436,576
Additions	-	708	208	4,715	369	6,948	17,926	30,874
Depreciation	(2,688)	(1,383)	(2,815)	(3,939)	(233)	(3,074)	(5,801)	(19,933)
Disposals	-	-	-	-	(25)	-	-	(25)
Net book value at 30 September 2022	118,125	5,536	20,817	17,290	1,591	16,583	267,550	447,492
At 30 September 2022								
Cost	170,095	35,710	116,996	195,274	3,957	121,200	298,386	941,618
Accumulated depreciation and impairment	(51,970)	(30,174)	(96,179)	(177,984)	(2,366)	(104,617)	(30,836)	(494,126)
Net book value at 30 September 2022	118,125	5,536	20,817	17,290	1,591	16,583	267,550	447,492

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 2022 HK\$'000	Audited 31 March 2022 HK\$'000
0 to 30 days	85,779	53,277
31 to 60 days	35,092	43,315
61 to 90 days	26,907	31,067
Over 90 days	54,582	58,817
Trade receivables, gross	202,360	186,476
Less: provision for impairment of trade receivables	(9,258)	(7,927)
	193,102	178,549

12. Trade payables

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

	Unaudited 30 September 2022 HK\$'000	Audited 31 March 2022 HK\$'000
0 to 30 days	24,060	27,420
31 to 60 days	–	1,366
61 to 90 days	951	643
Over 90 days	2,590	1,345
	27,601	30,774

13. Share capital

	Unaudited 30 September 2022 HK\$'000	Audited 31 March 2022 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	
	2022	2021
	HK\$'000	HK\$'000
Service income from related parties (<i>notes (i) and (ii)</i>)	274	266
Rental payment to a related party (<i>notes (i) and (iii)</i>)	500	544
Key management personnel compensation		
Salaries and other short-term benefits	7,278	7,370
Post-employment benefits	247	258
	7,525	7,628

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 these 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
	2022	2022
	HK\$'000	HK\$'000
Property, plant and equipment		
Contracted but not yet provided for	1,814	3,647
Authorised but not yet contracted for	2,716	155
	4,530	3,802

16. Approval of the interim condensed consolidated financial information

This interim condensed consolidated financial information was approved by the Board of Directors on 21 November 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

Summary of Profit and Loss Account

(HK\$'000)	For the six months ended 30 September		% Change
	2022	2021	
Revenue	515,229	520,463	-1%
Cost of sales	(298,147)	(289,420)	3%
Gross profit	217,082	231,043	-6%
Gross profit margin	42.1%	44.4%	
Selling and distribution expenses	(101,414)	(94,051)	8%
General and administrative expenses	(108,414)	(106,573)	2%
Net impairment losses on financial assets	(1,408)	(862)	63%
Other income	34,598	867	N/A
Operating profit	40,444	30,424	33%
Finance income – net	1,572	482	226%
Profit before income tax	42,016	30,906	36%
Income tax expense	(6,135)	(7,016)	-13%
Profit for the period	35,881	23,890	50%
Non-controlling interests	(764)	(732)	4%
Profit attributable to owners	35,117	23,158	52%
Net profit margin	7.0%	4.6%	

General

Global economic headwinds and ongoing geopolitical tensions have created complications and challenges for the local economy. Affected by the deteriorating external environment, Hong Kong economy experienced further contraction in the third quarter of 2022.

In this challenging environment, the Group's revenue for the six months ended 30 September 2022 decreased by HK\$5.2 million or 1% to HK\$515.2 million when compared to the same period last year. Profit attributable to owners was HK\$35.1 million for the six months ended 30 September 2022.

Revenue

	For the six months ended 30 September		% Change
	2022	2021	
	HK\$'000	HK\$'000	
Revenue:			
Advertising income	279,621	280,747	0%
Circulation income	25,380	32,061	-21%
Service income	210,228	207,655	1%
Total	515,229	520,463	-1%

Advertising income, primarily contributed by the Group's printed publications and digital platforms, maintained stable and recorded HK\$279.6 million when compared to the same period last year. Our investments in innovation, technology and talent in digital platforms were paid off. During the period under review, digital advertising income generated from the Group's digital platforms on finance, recruitment and lifestyle became the largest contributor to the Group's advertising income and was able to compensate the loss in printed advertising income during the worsening economic environment. It is expected that digital advertising income would continue its growth momentum.

Circulation income decreased by 21% to HK\$25.4 million when compared with the period ended 30 September 2021. The decrease was in line with most of the printed titles, particularly magazines, in the market during the period under review.

Service income slightly increased by 1% to HK\$210.2 million from the same period ended 30 September 2021. 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 printing titles of Group's printing plants and the provision of a wide range of printing services to meet customers' demand in different industry segments. 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 42.1% for the six months ended 30 September 2022, a decline of 2.3 percentage point from last year same period. Management would continue to monitor and streamline the cost structure and redeploy resources to improve efficiency and cost effectiveness of the Group's operations.

Staff costs for the six months ended 30 September 2022, representing approximately 57% of the Group's total operating costs, increased by 3% as compared to the period ended 30 September 2021. The increase was mainly due to the increased staff cost for recruiting and retaining digital talent.

Content costs which mainly consisted of market data license fees to various exchanges, financial index providers and foreign news agencies, constituting around 11% of the Group's total operating costs for the six months ended 30 September 2022, maintained at the same level as in 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 in the financial news agency, information and solutions segment.

Profit Attributable to Owners

The Group's profit attributable to owners for the six months ended 30 September 2022 was HK\$35.1 million, after the Employment Support Scheme subsidy granted by the Hong Kong Government under the Anti-epidemic Fund ("ESS Subsidy") of HK\$33.3 million.

Media segment recorded negative operating results for the period under review after excluding the one-off ESS Subsidy. The decrease was mainly attributable to the increased staff costs for recruiting talent in the digital businesses and the soaring newsprint price during the period under review. The Group would continue its investment initiatives in digital platforms, by ploughing more resources into quality content, advanced technologies and digital talent development, so as to expand and solidify the success aimed at bringing in sustainable growth and long-term business development.

Financial news agency, information and solutions segment, remained the solid profit contributor to the Group, recorded a moderate decrease in results for the six months ended 30 September 2022 after excluding the one-off ESS Subsidy when compared to the preceding reporting period. This segment, capturing the market trends of digitalisation and diversification of the financial services industry, had secured several digital solution projects for the period under review. The Group would 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 30 September 2022	As at 31 March 2022
Net current assets	420.9	423.7
Term deposits and cash and cash equivalents	407.5	461.0
Owners' equity	891.4	885.3
Gearing ratio	N/A	N/A
Current ratio	2.62 times	2.56 times

The Group's net current assets as at 30 September 2022 decreased by HK\$2.8 million from the position as at 31 March 2022. The slight decrease was mainly due to the investments in computer hardware for the development of digital businesses.

During the period under review, an ESS Subsidy of HK\$33.3 million was granted by the Hong Kong Government, of which a sum of HK\$15 million was received during the reporting period and the balance of HK\$18.3 million, received after the reporting period end, was recognised in 'other receivable' as at 30 September 2022.

The Group had distributed the final dividend declared for the financial year ended 31 March 2022 amounting to HK\$28.1 million.

As at 30 September 2022, the Group had a cash balance of HK\$407.5 million as compared to HK\$461.0 million as at 31 March 2022. 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 2022.

OUTLOOK

The global economy is experiencing a broad-based and sharper-than-expected slowdown. Elevated inflation and aggressive monetary policy tightening in major advanced economies will further weaken the global growth momentum. The heightened geopolitical tensions and lingering COVID-19 pandemic will also add downside risks to the global and local economic recovery. Local consumption activities, supported by generally stable epidemic situation, improved local labour market conditions and the Government's support and relief measures, showed some improvement in the second quarter of 2022 but the momentum in the later part of the quarter was constrained by the tightened financial conditions.

Looking ahead, the marked deteriorating external environment will continue to pose pressure on the local economy. 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 solid financial position with cash balance of approximately HK\$407.5 million as at 30 September 2022. All key economic indicators suggested that the operating environment will remain challenging in the remainder of the year but we are confident that, we are well positioned to capitalise the opportunities ahead and support the long-term sustainable development of our businesses.

EMPLOYEES

As at 30 September 2022, the Group had 1,352 employees (30 September 2021: 1,395 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 (2021: HK 3.0 cents) per share, amounting to HK\$12,948,000 (2021: HK\$12,948,000), payable on 23 December 2022 to shareholders whose names appear on the Register of Members of the Company at the close of business on 6 December 2022.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 7 December 2022 to 9 December 2022, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 6 December 2022.

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 Biu

(*retired on 11 August 2022*)

Ms. WONG Ching

Non-executive Director

Mr. CHU Yu Lun

Independent Non-executive Directors

Mr. LO Foo Cheung

Mr. O'YANG Wiley

Mr. SIN Hendrick

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2022, 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. 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.

Hong Kong Economic Times Holdings Limited

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

At no time during the six months ended 30 September 2022 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 2022 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 2022, 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	38,854,000	9.002%
Preferable Situation Assets Limited (<i>Note 3</i>)	21,580,800	5.000%

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.

Note 3: Preferable Situation Assets Limited is wholly owned by Mr. Webb David Michael. For the purpose of Part XV of the SFO, Mr. Webb David Michael is therefore deemed interested in the shares held by Preferable Situation Assets 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 2022.

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 C.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 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 Group's unaudited interim results for the six months ended 30 September 2022 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. 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, 21 November 2022