
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional advisor.

If you have sold or transferred all your shares in Hong Kong Economic Times Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**MAJOR TRANSACTION
DISPOSAL OF PROPERTY**

A notice convening the Extraordinary General Meeting (“EGM”) of Hong Kong Economic Times Holdings Limited to be held at 5th Floor, Kodak House II, 321 Java Road, North Point, Hong Kong on Monday, 25 March 2024 at 11:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjourned meeting thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or at any adjourned meeting thereof should you so desire and, in such event, the proxy form previously submitted shall be deemed to be revoked.

5 March 2024

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DEFINITIONS

In this circular and the appendices, the following expressions have the following meanings unless the context otherwise requires:

“Agreement”	the conditional formal agreement for sale and purchase dated 9 February 2024 entered into between the Vendor and the Purchaser in relation to the Disposal, which incorporates the terms and conditions of the Provisional Agreement and other customary terms adopted in similar transactions
“Announcement”	the announcement of the Company dated 26 January 2024 in relation to the proposed Disposal
“Articles”	the articles of association of the Company as amended from time to time
“Board”	Board of Directors of the Company
“China Mobile Group”	China Mobile Limited (a company incorporated in Hong Kong with limited liability whose shares are listed on the Stock Exchange and the Shanghai Stock Exchange) and its subsidiaries
“Company”	Hong Kong Economic Times Holdings Limited (香港經濟日報集團有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange
“Completion”	completion of the Disposal
“Completion Date”	the date on which Completion shall take place
“Conditions”	the conditions precedent to Completion pursuant to the Agreement as set out in this circular
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the proposed disposal of the Property to the Purchaser pursuant to the terms and conditions of the Agreement

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company to be held at 5th Floor, Kodak House II, 321 Java Road, North Point, Hong Kong, on Monday, 25 March 2024 at 11:00 a.m., a notice of which is set out on pages EGM-1 to EGM-2 of this circular
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) who is/are independent of the Company and its connected persons
“Independent Valuer”	Vigers Appraisal and Consulting Limited
“Latest Practicable Date”	4 March 2024, being the latest practicable date prior to the publication of this circular for ascertaining certain information contained herein
“Licence Agreement”	the licence agreement to be entered into between the Purchaser (as licensor) and the Vendor (as licensee) upon Completion in relation to the right to use the Licensed Area after Completion
“Licensed Area”	a portion of the flat roof of the Property as identified on a plan annexed to the Agreement, with a usable floor area of approximately 760 square feet
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	26 March 2024 or such later date as the Vendor and the Purchaser may agree in writing
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Companies

DEFINITIONS

“PRC”	the People’s Republic of China excluding, for the purpose of this circular only, Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Property”	factories A, B (including flat roof appurtenant thereto), C and D on 2nd floor of Tai Ping Industrial Centre, Block 1, No. 57 Ting Kok Road, Tai Po, New Territories, Hong Kong
“Provisional Agreement”	the conditional provisional agreement for sale and purchase dated 26 January 2024 entered into between the Vendor and the Purchaser in relation to the Disposal
“Purchaser”	China Mobile Hong Kong Company Limited, a company incorporated in Hong Kong with limited liability
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Third Floor”	factories A, B, C and D on 3rd floor of Tai Ping Industrial Centre, Block 1, No. 57 Ting Kok Road, Tai Po, New Territories, Hong Kong, which are occupied by the Group as of the Latest Practicable Date
“Valuation Report”	valuation report dated 5 March 2024 in respect of the Property issued by the Independent Valuer to the Company as set out in Appendix II to this circular
“Vendor”	Asianway (Far East) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company

DEFINITIONS

“Vendor’s Works”

various works to be carried out by the Vendor at the Property, including but not limited to dismantling and discarding certain pipes, conduits and metal flooring located in the Property and certain metal fences and cooling towers located on the flat roof of the Property

“%”

per cent.

LETTER FROM THE BOARD



Executive Directors:

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

Ms. See Sau Mei Salome

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

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Principal place of business
in Hong Kong:*

6th Floor

Kodak House II

321 Java Road

North Point

Hong Kong

5 March 2024

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION DISPOSAL OF PROPERTY

1. INTRODUCTION

Reference is made to the Announcement dated 26 January 2024 in relation to the proposed Disposal.

On 26 January 2024 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Purchaser, pursuant to which the Purchaser has agreed to acquire, and the Vendor has agreed to sell the Property, for a consideration of HK\$135,000,000, subject to fulfilment of the Conditions. Pursuant to the terms of the Provisional Agreement, on 9 February 2024, the Purchaser and Vendor formally entered into the Agreement in relation to the Disposal, which incorporates the terms and conditions of the Provisional Agreement and other customary terms adopted in similar transactions. The Agreement superseded the Provisional Agreement.

LETTER FROM THE BOARD

As the Disposal constitutes major transaction for the Company, it is therefore subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Disposal.

The purpose of this circular is to provide you with, among other things, (a) further information on the Disposal; (b) the financial information of the Company; (c) the Valuation Report issued by the Independent Valuer; (d) other information as required under the Listing Rules; and (e) notice of the EGM.

2. THE DISPOSAL

The principal terms of the Agreement are summarised as follows:

Date:	9 February 2024
Parties:	(i) the Vendor, an indirect wholly-owned subsidiary of the Company (ii) the Purchaser
Property:	factories A, B (including flat roof appurtenant thereto), C and D on 2nd floor of Tai Ping Industrial Centre, Block 1, No. 57 Ting Kok Road, Tai Po, New Territories, Hong Kong
Handover condition:	The Property shall be sold to the Purchaser on an "as-is" basis and vacant possession will be delivered on Completion.
Vendor's Works:	The Vendor shall carry out the Vendor's Works at its own costs and expenses. In the event that completion of the Vendor's Works can only take place after Completion, the Purchaser shall still be obliged to complete the purchase of the Property. Subject to the aforesaid, the Vendor shall use its best endeavors to complete the Vendor's Works on or before 30 April 2024.

LETTER FROM THE BOARD

Conditions: Completion is conditional upon (i) the Shareholders having approved the Provisional Agreement and the Agreement and the transaction contemplated thereunder at the EGM in accordance with the Listing Rules and (ii) the Company having complied with all other applicable requirements of the Listing Rules.

In the event the Conditions are not satisfied on or before the Longstop Date or if the Vendor is of the view that any of the Conditions cannot be satisfied on or before the Longstop Date, the Vendor may terminate the Agreement by serving a written notice on the Purchaser and, in such event, all deposits paid by the Purchaser shall be refunded by the Vendor without interest and the parties thereto shall have no claim against each other.

Completion: Subject to satisfaction of the Conditions, Completion shall take place on the 2nd business day after the date on which all the Conditions are satisfied (or such later date as may be agreed between the Vendor and the Purchaser in writing).

Consideration: The consideration payable by the Purchaser to the Vendor in respect of the Disposal shall be HK\$135,000,000, which is to be paid as follows:

- (i) an initial deposit of HK\$6,750,000 has been paid upon signing of the Provisional Agreement;
- (ii) a further deposit of HK\$6,750,000 has been paid upon signing of the Agreement;
- (iii) the balance of the consideration of HK\$121,500,000 shall be paid on the Completion Date.

The consideration has been negotiated between the Vendor and the Purchaser on an arm's length basis taking into account the valuation of the Property by the Independent Valuer at HK\$122,600,000 as at 10 January 2024 and the prevailing market conditions.

LETTER FROM THE BOARD

Licence Agreement: Upon Completion, the Purchaser (as licensor) shall enter into the Licence Agreement for granting the right to the Vendor (as licensee) to use and occupy the Licensed Area located in the flat roof of the Property. The principal terms of the Licence Agreement shall be as follows:

- (i) Initial Term – 5 years commencing from the Completion Date
- (ii) Licence fee – HK\$4,000 per month for the Initial Term
- (iii) User – The Licensed Area shall be used for the purpose of placing two cooling towers serving factories A, B, C and D on the Third Floor where one of the Group’s printing plants is located
- (iv) Option to renew – The Vendor (as licensee) shall have an option to renew the Licence Agreement for an additional 3 years after expiration of the Initial Term at a licence fee of HK\$5,000 per month

3. INFORMATION ON THE GROUP AND THE PARTIES

The Company is an investment holding company and the Group is principally engaged in the businesses of (i) the printing and publication of newspapers, magazines and books and the operation of digital platforms, including recruitment, finance and lifestyle and (ii) the provision of electronic financial and property market information and related solutions. The principal business activity of the Vendor is the holding of properties in Hong Kong.

The Purchaser is a company incorporated in Hong Kong and, based on information available to the Company, the Purchaser is an indirect wholly-owned subsidiary of China Mobile Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Stock Exchange and the Shanghai Stock Exchange. The China Mobile Group is principally engaged in the business of providing telecommunications and information related services in the mainland of the PRC and Hong Kong. The principal business activity of the Purchaser is the provision of telecommunications and related services in Hong Kong.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

LETTER FROM THE BOARD

4. INFORMATION ON THE PROPERTY

The Property is an industrial property known as factories A, B (including flat roof appurtenant thereto), C and D on 2nd floor of Tai Ping Industrial Centre, Block 1, No. 57 Ting Kok Road, Tai Po, New Territories, Hong Kong, with a gross floor area of approximately 41,570 square feet for factories A, B, C and D and approximately 11,847 square feet for the flat roof.

The Property was previously used by the Group as one of its printing plants for the provision of printing services for publications, and the printing plant located at the Property has ceased to operate since December 2023. To the best of the knowledge and belief of the Directors, the Company is not aware of plans (if any) of the Purchaser to dispose of or change the use of the Property.

As set out in the interim report of the Company for the six months ended 30 September 2023, the Property was classified as property, plant and equipment as of 30 September 2023 with an unaudited carrying value of approximately HK\$9,988,000.

5. PROPERTY VALUATION

The latest valuation of the Property carried out by the Independent Valuer amounted to HK\$122,600,000 as at 10 January 2024.

In performing the valuation of the Property, the Independent Valuer adopted the market approach which provides an indication of value by comparing the asset with identical or comparable assets for which price information is available. They applied the direct comparison method of valuation and made comparisons based on actual sales transactions and/or offering of comparable properties. The Independent Valuer analysed comparable properties with similar character, location etc. and weighed against all respective advantages and disadvantages of the Property in order to arrive at the fair comparison of values.

The Independent Valuer also based their valuation on various assumptions, including the assumptions that (i) the Property could be sold in the prevailing market in its existing state with vacant possession and without the effect of any deferred term contract, leaseback, joint venture or any other similar arrangement which may serve to affect the value of the Property; (ii) the Property is owner-occupied; (iii) all necessary statutory approvals for the property of the development of which the Property forms part of the use(s) have been obtained; (iv) no deleterious or hazardous materials or techniques have been used in the construction of the Property; (v) the Property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and that good title can be shown; (vi) for those parts of the Property could not be inspected, there are no material defects or other cause to alter the valuation(s); (vii) the Property is connected to main services and sewers which are available on normal terms; and (viii) the cost of repairs and maintenance to the development of which the Property forms part of the use are shared among all co-owner(s) of the development and there are no onerous liabilities outstanding.

LETTER FROM THE BOARD

For further details of the methodology, key assumptions and parameters adopted in the valuation, please refer to the full text of the Valuation Report as set out in Appendix II of this circular.

Having discussed with the Independent Valuer the basis and rationale for different valuation methods and approaches, and having considered the analysis of the Independent Valuer in relation to the applicability of each method and approach and assumptions as explained above, the Board concurred with the Independent Valuer's analysis and the adoption of the direct comparison method under the market approach as the appropriate valuation methodology. The Board was also advised that the key assumptions and parameters adopted in the Valuation Report are common for property valuations in Hong Kong, and the valuation is based on publicly available information. In view of the aforesaid, the Board is of the view that the methodology as well as the key assumptions and parameters adopted in the valuation are fair, objective and reasonable.

The Board had reviewed and enquired into the qualifications and experience of the Independent Valuer in relation to the preparation of the Valuation Report. To the best of the Directors' knowledge and belief and having made all reasonable enquiries, Sr David W. I. Cheung, the director of the Independent Valuer and the signor of the Valuation Report, is a Registered Professional Surveyor in General Practice Division (RPS(GP)) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong, and is a Registered Valuer of the Royal Institution of Chartered Surveyors (RICS) under the Valuer Registration Scheme regulated by RICS with over 37 years of valuation experience on properties in various regions including but not limited to Hong Kong, Macao, the People's Republic of China, Japan, the United Kingdom, Canada and the United State of America. Sr Cheung has also been vetted on the "List of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers" published by the Hong Kong Institute of Surveyors, and is qualified for undertaking valuations relating to listing exercises. The Board had also obtained information on the Independent Valuer's track records on other property valuations and noted that the Independent Valuer had been engaged as the independent valuer for a wide range of companies listed on the Stock Exchange. As such, the Board is of the view that the Independent Valuer is qualified, experienced and competent in performing property valuations and providing a reliable opinion in respect of the valuation of the Property.

The Board also enquired with the Independent Valuer as to its independence from the Group and the Purchaser, and had received confirmation from the Independent Valuer that they have no present or prospective interest in the Property, they are not a related corporation of and do not have a relationship with the Company or the Purchaser, and they are independent of the Company. Based on the aforesaid and having made all reasonable enquiries, the Board is satisfied with the independence of the Independent Valuer and, to the best of the knowledge of the Directors, there is no relationship or interest which may reasonably be considered to affect the Independent Valuer's independence to act as the independent valuer for the Company in connection with the Disposal.

Taking into account the above, the Directors are of the view that valuation of the Property by the Independent Valuer as set out in the Valuation Report had fairly and reasonably reflected the fair value of the Property.

LETTER FROM THE BOARD

6. RECONCILIATION STATEMENT

The Independent Valuer valued the Property as at 10 January 2024. The full text of the Valuation Report is set out in Appendix II of this circular.

The table below sets out the reconciliation between the net book value of the Property as of 31 March 2023 in the annual report of the Company for the year ended 31 March 2023 and the market value of the Property as of 10 January 2024 in the Valuation Report set out in Appendix II of this circular.

	(HK\$)
Net book value of the Property as of 31 March 2023	10,200,180
Depreciation for the period from 1 April 2023 to 10 January 2024	<u>(330,180)</u>
Net book value as of 10 January 2024	9,870,000
Valuation surplus as of 10 January 2024	<u>112,730,000</u>
Valuation as of 10 January 2024 as set out in Appendix II to this circular	<u>122,600,000</u>

7. FINANCIAL EFFECT OF THE DISPOSAL

Based on, inter alia, the consideration under the Agreement, the unaudited carrying value of the Property as at 30 September 2023 and the related expenses for the Disposal, upon Completion, the Group currently expects to record (i) a gain on disposal of approximately HK\$122,000,000; (ii) a decrease of non-current assets of approximately HK\$9,988,000, being the carrying value of the Property as of 30 September 2023 as set out in the interim report of the Company for the six months ended 30 September 2023; and (iii) an increase in net current assets of approximately HK\$132,000,000, being the estimated net proceeds from the Disposal. It is expected that the Disposal will not result in any change to the liabilities of the Group.

The financial effect of the Disposal as set out in the foregoing paragraph is presented for illustrative purpose only and is subject to change upon actual Completion and review and final audit by the auditor of the Company.

The net proceeds arising from the Disposal are expected to be approximately HK\$132,000,000 and are expected to be applied as general working capital of the Group.

Pursuant to HKFRS 16, the Group if entering into a lease transaction as a lessee should recognise the right-of-use asset and lease liability in the consolidated financial statements of the Company. Accordingly, the entering into of the Licence Agreement by the Vendor (as licensee) upon Completion of the Disposal will be regarded as an

LETTER FROM THE BOARD

acquisition of asset of the Group under the definition of transaction set out in Rule 14.04(1)(a) of the Listing Rules. Subject to Completion and the signing of the Licence Agreement, a right-of-use asset will be recognised by the Company at the commencement date of the Licence Agreement in accordance with HKFRS 16.

8. REASONS FOR AND BENEFITS OF THE DISPOSAL

The Property was originally used by the Group as one of its printing plants for the provision of printing services for publications. The management of the Group noted there was a reduction in the market demand of newspaper printing, partly due to the digital transformation of printed media and partly due to the Group's strategic focus on digital platforms in the recent years. As such, the Group had recently undergone a consolidation of its printing resources to rationalise and re-deploy resources so as to maximise the utilisation of its factory spaces in a more effective, efficient and productive manner. As a result, the printing plant located at the Property has ceased to operate since December 2023.

The Group continues to operate its printing plant located on the Third Floor of the same building. In view of this, the Vendor will enter into the Licence Agreement with the Purchaser upon Completion such that the Group can continue to place the two cooling towers serving the printing equipment of the printing plant on the Third Floor in the Licensed Area at a reasonable licence fee, without interrupting the operation of the said printing plant.

The Directors are of the view that the Disposal represents a good opportunity for the Company to realise the value of the Property at a reasonable price. As the net proceeds from the Disposal will be applied as working capital of the Group, this will strengthen the financial position of the Group. The Directors (including the independent non-executive Directors) consider that the terms of the Agreement are on normal commercial terms and are fair and reasonable, and the Disposal is in the interest of the Company and its Shareholders as a whole.

None of the Directors had any material interest in the Agreement, and hence no Director was required to abstain from voting on the relevant resolutions of the Board.

9. LISTING RULES IMPLICATIONS

One or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceed 25% but all of them are less than 75%, while all of the applicable percentage ratios in respect of the acquisition of right-of-use asset under the Licence Agreement are less than 5%. Pursuant to Rule 14.24 of the Listing Rules, since the transaction contemplated under the Provisional Agreement and the Agreement involves both an acquisition and a disposal, the transaction will be classified by reference to the larger of the two i.e. the Disposal. As the Disposal constitutes major transaction for the Company, it is therefore subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

10. EGM

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Provisional Agreement and the Agreement and the transactions contemplated thereunder. A notice convening the EGM is set out on pages EGM-1 to EGM-2 of this circular. The ordinary resolution to be proposed at the EGM is set out in full in the notice of the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and of the Company (www.hketgroup.com). Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjourned meeting thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or at any adjourned meeting thereof should you so desire and, in such event, the proxy form previously submitted shall be deemed to be revoked.

To the Directors' best knowledge, information and belief and having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder has a material interest in the Agreement and the transactions contemplated thereunder, and therefore no other Shareholder is required to abstain from voting on the proposed resolution approving the Provisional Agreement and the Agreement and the transactions contemplated thereunder.

11. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rule, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to procedural or administrative matter to be voted on by a show of hands.

On a poll, every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by a proxy shall have one vote for each Share registered in his/her name in the register. A Shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she uses in the same way. After the conclusion of the EGM, the poll results will be published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and of the Company (www.hketgroup.com).

LETTER FROM THE BOARD

12. CLOSURE OF REGISTER OF MEMBERS

In order to determine entitlement of Shareholders to the right to attend and vote at the EGM (or any adjournment thereof), the register of member of the Company will be closed from Thursday, 21 March 2024 to Monday, 25 March 2024, both days inclusive, during which period no share transfer will be effected. In order to qualify for the entitlement to attend and vote at the EGM, 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 not later than 4:30 p.m. on Wednesday, 20 March 2024.

13. RECOMMENDATION

The Board (including the independent non-executive Directors) is of the view that the terms and conditions of the Disposal pursuant to the Agreement are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Disposal pursuant to the Provisional Agreement and the Agreement and the transactions contemplated thereunder.

Shareholders and potential investors of the Company should note that Completion of the Disposal is conditional upon the satisfaction of the Conditions. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

14. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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

I. INDEBTEDNESS STATEMENT

As at the close of business on 31 January 2024, being the latest practicable date for the purpose of this statement of indebtedness prior to the publication of this circular, the indebtedness of the Group was as follows:

Lease liabilities

As at 31 January 2024, the Group had unguaranteed and unsecured lease liabilities of approximately HK\$3,666,000.

Contingent Liability

Save as disclosed in paragraph headed “3. Material Litigation” in Appendix III to this circular, as at 31 January 2024, the Group had no material contingent liabilities.

Save as aforesaid or as otherwise disclosed herein, apart from normal trade payables, accruals and other payables in the ordinary course of business, as at the close of business on 31 January 2024, the Group did not have any outstanding mortgages, charges, debentures, loan capital, bank overdrafts, loans or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptance (other than under normal trade bills) or acceptance credits, debt securities (whether issued and outstanding or authorised or otherwise created but unissued), guarantees or other material contingent liabilities.

The Directors have confirmed that, save as disclosed above, there has not been any material change in the indebtedness and contingent liabilities of the Group since 31 January 2024, up to and including the Latest Practicable Date.

II. WORKING CAPITAL STATEMENT

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the financial resources presently available to the Group including the internally generated funds, the current available facilities and the net proceeds from the Disposal, and in the absence of unforeseen circumstances, the Group has sufficient working capital for its normal business for at least the next 12 months from the date of this circular. The Company has obtained the relevant letter as required under Rule 14.66(12) of the Listing Rules.

III. MATERIAL ADVERSE CHANGE

As disclosed in the interim report of the Company for the six months ended 30 September 2023, the Company recorded a consolidated loss attributable to owners of the Company of HK\$20.3 million for the six months ended 30 September 2023, as compared to a consolidated profit attributable to owners of the Company of HK\$35.1 million for the corresponding period in 2022. Excluding the one-off Employment Support Scheme subsidy granted by the Hong Kong Government of HK\$33.3 million in 2022, this represents a decline in profit of HK\$22.1 million. The negative net results was mainly attributable to the decrease of advertising income which resulted from the weak market sentiment amid the sluggish property and financial markets, and the slow recovery of the local consumer market.

Save as disclosed above, there were no material adverse changes in the financial or trading position or prospects of the Group since 31 March 2023 (being the date to which the latest published audited consolidated financial statements of the Group had been made up) up to the Latest Practicable Date.

IV. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

After Completion, the Group will continue to engage in the businesses of (i) the printing and publication of newspapers, magazines and books and the operation of digital platforms, including recruitment, finance and lifestyle and (ii) the provision of electronic financial and property market information and related solutions.

Looking ahead, ongoing macroeconomic uncertainties, high interest rate and geopolitical tensions will continue to shape the global market and the local business environment. However, as the inflationary pressure is more under control, Federal Funds rate is expected to decline gradually in 2024. Though the challenging external environment and the slower recovery in the Mainland economy will continue to weigh on the local market, the revival of inbound tourism and local consumption will continue to underpin the local economic recovery.

The Group will continue its investment initiatives in digital platforms by ploughing more resources into quality content creation, innovative technologies and the talents development, which the management of the Group believes will bring in sustainable growth and long-term business development. The Group will closely monitor the economic and political situations, take a cautious and prudent approach in cost management, operational efficiency and financial discipline.

The Directors are of the view that the Group is in a solid financial position with cash balance of approximately HK\$387.1 million as at 30 September 2023. In addition to the net proceeds to be received from the Disposal, the Group will be well placed to meet challenges and capture new opportunities ahead.

The following is the text of a letter and valuation report prepared for the purpose of incorporation in this circular received from the Independent Valuer, Vigers Appraisal and Consulting Limited, an independent professional valuer, in connection with the valuation of the Property as at 10 January 2024.

Vigers Appraisal and Consulting Limited

General Practice Sector

27/F Standard Chartered Tower,
Millennium City 1, 388 Kwun Tong Road,
Kowloon, Hong Kong



T: +852 6651-5330 E: GP@Vigers.com W: www.Vigers.com

5 March 2024

The Board of Directors

Hong Kong Economic Times Holdings Limited

6th Floor, Kodak House II
321 Java Road
North Point
Hong Kong

Dear Sirs,

We refer to the recent instruction from “**Hong Kong Economic Times Holdings Limited**” (referred to as the “**Company**”) and/or its subsidiary(ies) (together referred to as the “**Group**”) to us to value the property interest(s) of “**factories A, B and flat roof, C and D on 2nd floor, Tai Ping Industrial Centre, Block 1, No. 57 Ting Kok Road, Tai Po, New Territories, Hong Kong**” (referred to as the “**Property**”) which is solely owned by the Company’s subsidiary “**Asianway (Far East) Limited**” to be disposed of by the Group, we confirm that we have inspected the Property, made relevant enquiries and investigations as well as obtained such further information as we consider necessary for the purpose of providing our opinion of value of the Property as at 10 January 2024 (the “**Valuation Date**”).

BASIS OF VALUE

Our valuation is our opinion of market value of the Property which is defined as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”. Our valuation(s) has/have been prepared in accordance with “HKIS Valuation Standards 2020” published by “The Hong Kong Institute of Surveyors” (“HKIS”), “RICS Valuation – Global Standards” published by the “Royal Institution of Chartered Surveyors” (“RICS”), relevant provisions in the Companies Ordinance and Chapter 5 under the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” (Main Board) published by “The Stock Exchange of Hong Kong Limited” (“HKEx”). Market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement(s), special consideration or concession granted by anyone associated with the sale, or any element of special value(s). The market value of a property is also estimated without regard to cost(s) of sale and purchase, and without offset for any associated tax(es).

APPROACH TO VALUE

For the property which is owner-occupied, and we have adopted market approach which provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available. We have applied direct comparison method of valuation whereby comparisons based on actual sales transactions and/or offering of comparable properties have been made. Comparable properties with similar character, location and so on are analysed and carefully weighed against all respective advantages and disadvantages of the Property in order to arrive at the fair comparison of value(s).

TITLE INVESTIGATION

No responsibility is assumed for any legal matters concerning the legal title to the property set out in this report. We have conducted land registration record(s) at the Land Registry but we have not searched the original document(s) to ascertain ownership nor to verify any lease amendment(s) which may not appear on the copy(ies) handed to us. In the course of our valuation(s), we have relied to a considerable extent on the information made available to us and we have accepted advice on such matters as planning approval(s) or statutory notice(s), easement(s), tenure(s), occupancy status, site and floor areas as well as all other relevant matters. Unless otherwise stated, no on-site measurement has been made. All information and document(s) provided to us have been used for reference purpose and all dimension(s), measurement(s) and area(s) are therefore approximation(s). Unless otherwise stated, floor area measurements are carried out in accordance with the “Code of Measuring Practice (1st Edition March 1999)” and its “Supplement(s) to the Code of Measuring Practice” published by the HKIS.

The land lease(s) of the property had expired before 30 June 1997, and we have taken into account of the provisions contained in Annex III of the “Joint Declaration of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People’s Republic of China on the question of Hong Kong”, the “New Territories Leases (Extension) Ordinance” and the Basic Law that such land lease(s) has/have been extended without paying additional land premium until 30 June 2047.

In the course of our valuation(s), we have assumed that the owner(s) has/have free and uninterrupted rights to use and assign the Property during the unexpired land-lease term(s) granted subject to the payment of usual Government Rent(s) unless otherwise noted or specified.

VALUATION CONSIDERATION

We have relied to a very considerable extent on the information given by the Company; and we have accepted advice given to us on such matters as statutory notice(s), easement(s), tenure(s), occupancy status, site and floor areas, identification of the Property and all other relevant matter(s). No detailed on-site measurement(s) to the Property has been taken. We have not carried out detailed on-site measurement to verify the correctness of the site and floor areas of the Property but we have assumed that the site and floor areas shown on the document(s) handed to us are accurate and reliable. All dimension(s), measurement(s) and area(s) included in our valuation report are based on the information contained in the document(s) provided to us and are therefore approximations.

We had carried out on-site inspection but we have not carried out any structural survey or test on any building services nor have we inspected the woodwork or other part(s) of the structure(s) which was/were covered, unexposed or inaccessible to us. We are therefore unable to report whether such part(s) of the Property is/are free from rot, infestation or any structural or non-structural defect. As advised by the Company, air-conditioning system and automatic sprinkler system as well as supply of electricity and water are all available throughout the Property.

VALUATION ASSUMPTION

Our valuation has been made on the assumption that the Property could be sold in the prevailing market in existing state assuming sale with vacant possession and without the effect of any deferred term contract, leaseback, joint venture or any other similar arrangement which may serve to affect the value of the Property unless otherwise noted or specified. In addition, we are advised that there are no option or right of pre-emption concerning or affecting the sale of the Property.

The use of the word “property” throughout this report is intended to mean “land and building” and the word “land” has its normal legal interpretation.

Unless otherwise stated, we have carried out our valuation(s) assuming that:

- all necessary statutory approvals for the property of the development of which the property forms part of the use(s) have been obtained;
- no deleterious or hazardous materials or techniques have been used in the construction of the property;
- the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and that good title can be shown;
- for those parts of the property could not be inspected would not reveal material defects or cause to alter our valuation(s);
- the property is connected to main services and sewers which are available on normal terms;
- in the case of the property which is under construction, the property will be satisfactorily completed to the standard in due course and details as described in the latest development schedules as contained in the sales brochure; and
- in valuation(s) of the property which is held under multiple ownership, the cost of repairs and maintenance to the development of which the property forms part of the use are shared among all co-owner(s) of the development, unless instructed by the Company or otherwise aware of to the contrary, and that there are no onerous liabilities outstanding.

In the course of our valuation(s), we have taken the following into account:

- the tenure of the property;
- the age, type, accommodation, location, amenities, fixtures and features of the property and other significant environment factors within the locality;
- the general state of repair, the construction and apparent major defects; and
- the overall quality of management of the development of which the property forms part of.

In undertaking our market value assessment of the Property under multiple-ownership, any redevelopment potential attached to the site has been excluded, unless otherwise instructed. Unless otherwise stated, we have not carried out our valuation(s) on redevelopment basis; and the study of any possible alternative development option(s) and/or related economics do/does not come within the service scope of this report.

Any element of value attributable to furnishing and/or removable fitting(s) of any description as well as portable and temporary structure(s) when arriving at our opinion of value of the Property has/have been disregarded or excluded. We have valued the Property in accordance with its original approved state. Any premium or discount attached to the unauthorized addition(s) and/or alteration(s) has been disregarded. Nor have we considered any cost(s) required to restore the Property to its original state if requested by government authorities, unless otherwise noted.

We have assumed that the Property has been constructed, occupied and used in full compliance with all, and without contravention of any, Ordinances, except only where otherwise stated. We have further assumed that, for any use(s) of the Property upon which this report is based, any and all required license(s), permit(s), certificate(s), and/or authorization(s) has/have been obtained, except only where otherwise stated.

Our market value assessment is made on the assumption that the owner(s) sell(s) the Property in the prevailing market without the benefit or burden of cash rebate or any other similar arrangement(s) which may serve to affect the value(s) of the Property. No allowance has been made in our valuation for any charges, mortgage(s) or amount(s) owing on the Property, nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, we have assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which may serve to affect the value of the Property.

REMARKS

We hereby confirm that:

- (1) we have no present or prospective interest in the Property; and are not a related corporation of nor having a relationship with the Company or other party/parties who the Company is contracting with;
- (2) we are authorised to practise as external valuer and have the necessary expertise and experience in valuing similar types of properties;
- (3) our valuation has been prepared on a fair and unbiased basis;
- (4) the valuer's compensation is not contingent upon reporting of a predetermined value or direction in value that favours the cause of the vendor or purchaser, the amount of the value estimate, the attainment of a stipulated result, or occurrence of subsequent event; and
- (5) we are independent of the Company.

Unless otherwise stated, all monetary amounts stated herein are denoted in “Hong Kong Dollar” (“HK\$”), the lawful currency of “Hong Kong Special Administrative Region” (“Hong Kong”); and the conversion factors adopted are 1.00 square metre (“sq.m.”) to 10.7639 square feet (“sq.ft.”) for area measurement, and 1.00 metre (“m.”) to 3.2808 feet (“ft.”) for length measurement.

We enclose herewith the core content of our valuation report.

Yours faithfully,

For and on behalf of

VIGERS APPRAISAL AND CONSULTING LIMITED

Sr David W. I. CHEUNG

MRICS MHKIS RPS(GP) CIREA RICS Registered Valuer

Deputy Managing Director

Note: Sr David W. I. CHEUNG is a “Registered Professional Surveyor in General Practice Division” (“RPS(GP)”) under the “Surveyors Registration Ordinance” (Cap. 417) in Hong Kong; and is a “RICS Registered Valuer” under the “Valuer Registration Scheme” regulated by the RICS with over 37 years’ valuation experience on properties in various regions including Hong Kong, Macao, the People’s Republic of China, Taiwan, Japan, the United Kingdom (“UK”), Canada and the United State of America (“USA”). Sr CHEUNG has been vetted on the “List of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers” published by the HKIS, and is suitably qualified for undertaking valuations relating to listing exercises. Sr CHEUNG has been employed by “Vigers Appraisal and Consulting Limited” as a qualified surveyor since 2006.

PROPERTY VALUATION REPORT

Property currently held by Asianway (Far East) Limited for owner-occupation purpose

The Property	Description and Tenure	Occupancy Status	Market Value in Existing State as at the Valuation Date
Factories A, B and flat roof, C and D on 2nd floor, Tai Ping Industrial Centre, Block 1, No. 57 Ting Kok Road, Tai Po, New Territories, Hong Kong	The Property comprises 4 factory units together with a flat roof on the 2nd floor of a 26-storey industrial building completed in 1982.	As advised by the Group, the Property is owner-occupied as a factory as at the Valuation Date.	HK\$122,600,000 (HONG KONG DOLLARS ONE HUNDRED TWENTY TWO MILLION SIX HUNDRED THOUSAND ONLY)
All those 816/12,702 parts or shares of and in The Remaining Portion of Lot No. 1637 in D.D. 11 registered at the Land Registry	According to the information of the developer's sales brochure, the 4 factory units have a total gross floor area of approximately 41,570 square feet (or about 3,861.9831 square metres) plus a flat roof of approximately 11,847 square feet (or about 1,100.6234 square metres).		(*Please refer to Note 13)
	The Property is held under a New Grant No. TP9052 for a lease term of 99 years commencing on 1 July 1898 and has been statutorily extended to 30 June 2047. The annual Government Rent is equivalent to 3% of the Rateable Value from time to time of the Property.		

Notes:

- Pursuant to our recent Land Registration Record(s), the current registered owner of the Property is "ASIANWAY (FAR EAST) LIMITED" which is a wholly-owned subsidiary of the Company vide Memorial No. TP523579 dated 17 March 1997.
- Pursuant to our recent Land Registration Record(s), the Property is subject to the following salient encumbrances.

The Property

- Deed of Mutual Covenant vide Memorial No. TP210563 dated 6 October 1982;
- Letter (Certificate of Compliance) vide Memorial No. TP224473 dated 17 October 1979;
- Occupation Permit vide Memorial No. TP224474 dated 16 August 1982.

Factory B on 2/F and Flat Roof

- Notice No. WCMS/TC05994/06/NT-E01 by The Building Authority under S.24c(1) of The Buildings Ordinance vide Memorial No. 09051300710046 dated 11 December 2007;
- Order No. UBCSI/02-01/0006/11 by The Building Authority under Section 24(1) of The Buildings Ordinance vide Memorial No. 13080600880136 dated 4 July 2013.

3. As informed by the Group, the aforesaid Notice and Order had been rectified and our valuation is made on the assumption that the above-mentioned Notice and Order had been complied with the requirements of The Building Authority and the Property is not subject to any other material encumbrances.
4. The Property falls within an area currently zoned in use of “Other Specified Uses (Business) for industrial or industrial-office building” under the Approved Tai Po Outline Zoning Plan No. S/TP/30 gazetted on 8 July 2022.
5. The Property is situated on the northwestern side of Ting Kok Road and bounded by Ting Lai Road in Tai Po district of the New Territories in Hong Kong. The locality is mainly of industrial and residential developments. The area is conveniently served by public transportation such as buses, light buses and taxis.
6. As confirmed by the Group, there is no breach of environmental regulations; and there are no investigations, notices, pending litigation, breaches of law or title defects as against the Property.
7. The Property is owner-occupied, and we have assessed the Property on the special assumption that the Property is available for sale with vacant possession as at the Valuation Date.
8. An external and internal inspection to the Property and surrounding environment, but not in any form of a building survey, was carried out by **Sr Hammer W. H. CHUI** MRICS MHKIS RICS Registered Valuer under the direct supervision of **Sr David W. I. CHEUNG** MRICS MHKIS RPS(GP) CIREA RICS Registered Valuer on 5 January 2024. At the time of our inspection, we revealed that the four factory units of the Property were combined and used as a single unit. The physical condition of the Property was reasonable.
9. In the course of our valuation, we have identified and considered transactions of industrial units within Blocks 1, 2 and 3 of Tai Ping Industrial Centre in between 21 March 2023 and 4 December 2023. Those transacted units in size ranging from 4,209 square feet to 13,486 square feet with unit transacted price (in term of gross floor area basis) ranging from HK\$1,937 per square foot to HK\$3,500 per square foot. The assessed value of the 4 factory units of the Property (total gross floor area of about 41,570 square feet) with unit rate of HK\$2,868 per square foot (in term of gross floor area basis) is within the unit price range of the comparables.
10. In the valuation, we have considered the following six comparables situated in the vicinity.

	Comparable 1	Comparable 2	Comparable 3
Property Address	unit B on 18/F and car parking space No. 78 on 1/F, Tai Ping Industrial Centre Block 1	unit D on 14/F and flat roof 3 on 17/F and car parking space No. L10 on G/F, Tai Ping Industrial Centre Block 2	units A and B on 9/F, Tai Ping Industrial Centre Block 3
Year Built	1982	1981	1984
Floor Level for Industrial Unit	18/F	14/F	9/F
Gross Floor Area (“GFA”)	10,790 sq.ft.	6,231 sq.ft.	13,486 sq.ft.
Ancillary Area	–	flat roof: 159 sq.ft.	–
Headroom	11.48 ft.	11.48 ft.	11.48 ft.
Floor Loading	150 pounds/square foot	150 pounds/square foot	150 pounds/square foot
Transaction Date	4 Dec 2023	7 Aug 2023	31 Jul 2023
Consideration	HK\$22,000,000	HK\$19,600,000	HK\$47,201,000
Unit Rate in GFA basis	HK\$1,937/square foot (* See Note 2)	HK\$2,841/square foot (* See Note 3)	HK\$3,500/square foot
Nature of Transaction	Provisional Agreement for Sale and Purchase	Agreement for Sale and Purchase	Agreement for Sale and Purchase

	Comparable 4	Comparable 5	Comparable 6
Property Address	unit D on 7/F, Tai Ping Industrial Centre Block 2	unit E on 16/F, Tai Ping Industrial Centre Block 2	unit E on 11/F, Tai Ping Industrial Centre Block 2
Year Built	1981	1981	1981
Floor Level for Industrial Unit	7/F	16/F	11/F
Gross Floor Area ("GFA")	6,231 sq.ft.	4,209 sq.ft.	4,209 sq.ft.
Ancillary Area	–	–	–
Headroom	11.48 ft.	11.48 ft.	11.48 ft.
Floor Loading	150 pounds/square foot	150 pounds/square foot	150 pounds/square foot
Transaction Date	14 Apr 2023	28 Mar 2023	21 Mar 2023
Consideration	HK\$19,500,000	HK\$13,880,000	HK\$13,850,000
Unit Rate in GFA basis	HK\$3,130/square foot	HK\$3,298/square foot	HK\$3,291/square foot
Nature of Transaction	Agreement for Sale and Purchase	Agreement for Sale and Purchase	Agreement for Sale and Purchase

Notes:

1. According to the information from the developer's sales brochure, the headroom and floor loading of the Property are 13.12 feet and 250 pounds per square foot respectively.
2. For the Comparable 1, the property comprises a car parking space and we have adopted that the market value of the car parking space is HK\$1,100,000 (based on historical market transactions between 18 April 2023 and 8 May 2023). Thus, the unit rate (in term of gross floor area basis) of the industrial unit for the Comparable 1 is HK\$1,937/square foot (i.e. (HK\$22,000,000 – HK\$1,100,000)/ 10,790 sq.ft.).
3. For Comparable 2, the property comprises a lorry parking space and a flat roof area. In arriving the unit rate of the industrial portion, the market value of the lorry parking space was deducted from the transaction price where a market value of HK\$1,850,000 for the lorry parking space have been adopted based on historical transactions between 22 November 2021 and 23 March 2023. A remaining value of HK\$17,750,000 was then derived (i.e. HK\$19,600,000 – HK\$1,850,000) which includes both the industrial unit and its ancillary flat roof. Regarding the flat roof area, we have adopted a 1/10 ratio for assessment of the unit rate when considering such ancillary flat roof to the adjacent industrial unit, or we consider that the market value of each 10 sq.ft. of such ancillary flat roof is equivalent to 1 square foot of industrial unit. Thus, the unit rate (in term of gross floor area basis) of the industrial unit for Comparable 2 can be estimated as HK\$2,841/square foot (i.e. HK\$17,750,000/ (6,231 sq.ft. + (159 sq.ft. x 1/10))).

The six comparables above form an exhaustive list of transactions based on the selection criteria mentioned in note 9.

11. We have made adjustments to reflect differences between the comparables and the subject of this valuation with the adjustment factors including time, size, floor level, headroom, floor loading and building age. We have adopted that the general basis of the adjustments are shown as follows.

For time adjustment, we are based on the Private Flatted Factories – Price Indices from Rating and Valuation Department of the Government of the Hong Kong Special Administrative Region (please refer to the URL of "https://www.rvd.gov.hk/doc/en/statistics/his_data_14.xls") and we considered that if the time index of a comparable is higher than the subject property, a downward adjustment is made and vice versa; for size adjustment, we considered that if the size of a comparable property is smaller than the subject property, a downward adjustment is made and vice versa; for floor level adjustment, we consider that if the floor level of a comparable is higher than the subject property, an upward adjustment is made as it is more convenient to use staircases in lower floor level units, where large amounts of goods are often transported; for headroom adjustment, if the headroom of a comparable is lower than the subject property, an upward adjustment is made and vice versa; for floor loading adjustment, if the loading of a comparable is inferior to the subject property, an upward adjustment is made and vice versa; for building age adjustment, if the building age of a comparable is older than the subject property, an upward adjustment is made and vice versa.

Details on the adjustment mechanism for each of the adjustment factors for the valuation are set out below.

Adjustment Factors	Comparable 1	Comparable 2	Comparable 3
Time	No adjustment	Downward adjustment	Downward adjustment
Size	Downward adjustment	Downward adjustment	Downward adjustment
Floor Level	Upward adjustment	Upward adjustment	Upward adjustment
Headroom	Upward adjustment	Upward adjustment	Upward adjustment
Loading	Upward adjustment	Upward adjustment	Upward adjustment
Building Age	No adjustment	Upward adjustment	Downward adjustment
Total Adjustment	+4.2%	-3.4%	-3.4%
Adjusted Unit Rate in GFA basis	HK\$2,018/square foot	HK\$2,744/square foot	HK\$3,381/square foot

Adjustment Factors	Comparable 4	Comparable 5	Comparable 6
Time	Downward adjustment	Downward adjustment	Downward adjustment
Size	Downward adjustment	Downward adjustment	Downward adjustment
Floor Level	Upward adjustment	Upward adjustment	Upward adjustment
Headroom	Upward adjustment	Upward adjustment	Upward adjustment
Loading	Upward adjustment	Upward adjustment	Upward adjustment
Building Age	Upward adjustment	Upward adjustment	Upward adjustment
Total Adjustment	-7.7%	-5.4%	-7.2%
Adjusted Unit Rate in GFA basis	HK\$2,889/square foot	HK\$3,120/square foot	HK\$3,054/square foot

Based on the above, the adjusted average unit rate in GFA basis for the subject factory units is HK\$2,868 per square foot, and therefore, the market value of factories A, B, C and D on 2nd floor of the Property is estimated as HK\$119,222,760 (i.e. 41,570 square feet x HK\$2,868 per square foot), say HK\$119,200,000. For the market value of the ancillary flat roof of the Property, we have adopted a common practice of a 1/10 ratio in unit rate of adjacent factory unit for assessment of such ancillary area, so that the market value of flat roof on 2nd floor of the Property is HK\$3,397,719.6 (i.e. 11,847 square feet x HK\$2,868 per square foot x 1/10), say HK\$3,400,000.

Thus, the total market value of the Property is estimated of HK\$122,600,000.

12. In arriving the market value of the Property, we consider that the period between 21 March 2023 and 4 December 2023 is an appropriate review period because the most recent 6 comparables are considered sufficient for the purpose of valuation.
13. Breakdowns on the market value of the Property as at the Valuation Date are shown as follows:
 - (1) Value of factories A, B, C and D on 2nd floor of the Property is HK\$119,200,000;
 - (2) Value of flat roof on 2nd floor of the Property is HK\$3,400,000.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with respect to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interests in Shares, underlying shares and debentures

As at the Latest Practicable Date, save as disclosed below, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were otherwise required to notify the Company and the Stock Exchange pursuant to the Model Code. All interests stated below represent long positions in the Shares.

Name of Director	Capacity/ Nature of interest	Number of Shares held	Percentage of issued share capital of the Company
Mr. Fung Siu Por, Lawrence ^(Note 1)	Corporate	54,359,000	12.595%
Mr. Chu Yu Lun ^(Note 2)	Corporate	87,435,000	20.258%
Mr. Lo Foo Cheung	Beneficial owner	740,000	0.171%

Notes:

- 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.
- 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.

(b) Substantial Shareholders' interests in Shares and underlying shares

So far as is known to the Directors, as at the Latest Practicable Date, the following persons had, or was deemed to have, interests or short positions in the Shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group. All interests stated below represent long positions in the Shares.

Name of substantial Shareholder	Number of Shares held	Percentage of issued share capital of the Company
Sky Vision Investments Limited ^(Note 1)	87,435,000	20.258%
MaMa Charitable Foundation Limited	58,169,000	13.478%
Golden Rooster Limited ^(Note 2)	54,359,000	12.595%
WEBB David Michael ^(Note 3)	43,214,000	10.013%
The University of Hong Kong	43,160,000	10.000%

Notes:

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.
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.
3. Mr. Webb David Michael held 17,893,000 Shares as beneficial owner and, as Preferable Situation Assets Limited is wholly owned by Mr. Webb David Michael, he is deemed to be interested in the 25,321,000 Shares held by Preferable Situation Assets Limited for the purpose of Part XV of the SFO.

As at the Latest Practicable Date, save as disclosed above, the Company has not been notified by any persons or corporations (other than the Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of Part XV of the SFO as at the Latest Practicable Date.

As at the Latest Practicable Date, the Directors are not aware of any person (other than a Director or chief executive of the Company or his/her respective associate(s)) who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

3. MATERIAL LITIGATION

A subsidiary of the Group, which is engaged in the provision of printing services for publications, was named as one of the defendants who were alleged to be infringing intellectual property in a legal proceeding submitted to the High Court on 18 October 2022. The claim amount is not specified by the plaintiff. The management of the Group, based on the information currently available, believes that it is impracticable to evaluate the likely outcome of the case and to estimate the financial effect to the Group as it is still at an early stage of the proceedings.

Save as disclosed above, as at the Latest Practicable Date, so far as known to the Directors, there was no litigation, arbitration or claim of material importance in which any member of the Group is engaged or pending or threatened against any member of the Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered into any service contract or management agreement, proposed or otherwise with any member of the Group (excluding contracts expiring or terminable by the employer within one year without payment of compensation other than statutory compensation).

5. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this circular and are or may be material:

- (i) the Provisional Agreement; and
- (ii) the Agreement.

6. INTEREST IN ASSETS OR CONTRACTS

As at the Latest Practicable Date, no contract or arrangement of significance in relation to the Group's business to which the Group or any of its subsidiaries was a party and in which any of the Directors had a material interest, whether directly or indirectly, subsisted as at the Latest Practicable Date.

None of the Directors has any direct or indirect interests in any assets which had been acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by or leased to, the Company or any of its subsidiaries during the period since 31 March 2023, the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

7. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors or their respective associates had any interest in a business apart from the Company's business which competes or is likely to compete, either directly or indirectly with, the Company's business, or which would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them were a controlling shareholder.

8. EXPERT

The following is the qualification of the expert who has given an opinion or advice contained in this circular:

Name	Qualification
Vigers Appraisal and Consulting Limited	Independent valuer

As at the Latest Practicable Date, the above expert did not have any interests, either direct or indirect, in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2023, the date to which the latest published audited consolidated financial statements of the Group were made up.

As at the Latest Practicable Date, the above expert was not interested beneficially or non-beneficially in any Shares in any member of the Group or any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or report and/or reference to its name in the form and context in which it respectively appears.

9. MISCELLANEOUS

- (a) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The principal place of business of the Company in Hong Kong is at 6th Floor, Kodak House II, 321 Java Road, North Point, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The company secretary of the Company is Ms. Wong Ching, who is a certified public accountant, an associate member of The Chartered Governance Institute, and an associate member of The Hong Kong Chartered Governance Institute.
- (e) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of Hong Kong Exchanges and Clearing Limited (*www.hkexnews.hk*) and the Company's website (*www.hketgroup.com*) for a period of not less than 14 days prior to the date of the EGM:

- (a) the Provisional Agreement;
- (b) the Agreement;
- (c) the written consent referred to in the paragraph headed "8. Expert" in this Appendix;
- (d) the Valuation Report as set out in Appendix II to this circular; and
- (e) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (the “**Meeting**”) of Hong Kong Economic Times Holdings Limited (the “**Company**”) and, together with its subsidiaries, the “**Group**”) will be held at 5th Floor, Kodak House II, 321 Java Road, North Point, Hong Kong on Monday, 25 March 2024 at 11:00 a.m. for the purpose of considering, and, if thought fit, passing the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“**THAT:**

- (a) the conditional provisional agreement for sale and purchase dated 26 January 2024 (the “**Provisional Agreement**”) and the conditional formal sale and purchase agreement dated 9 February 2024 (the “**Agreement**”) both entered into between Asianway (Far East) Limited (the “**Vendor**”) and China Mobile Hong Kong Company Limited (the “**Purchaser**”) in respect of the sale of the property located at factories A, B (including flat roof appurtenant thereto), C and D on 2nd floor of Tai Ping Industrial Centre, Block 1, No. 57 Ting Kok Road, Tai Po, New Territories, Hong Kong by the Vendor to the Purchaser for the consideration of HK\$135,000,000 as contemplated thereunder (the “**Disposal**”) (copies of the Provisional Agreement and the Agreement having been produced to this meeting respectively marked “A” and “B” and initialled by the chairman of the meeting for identification) be and are hereby confirmed, approved and ratified;
- (b) any Director be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements (whether under common seal or not) and to do all such acts or things deemed by him/her/them to be incidental to, ancillary to or in connection with the Disposal and other matters contemplated in the Provisional Agreement, the Agreement and the transactions contemplated thereunder as he/she/they may in his/her/their absolute discretion consider necessary, desirable or expedient to give effect to the Provisional Agreement, the Agreement and the implementation of all transactions contemplated thereunder and to agree with such variation, amendment or waiver as, in the opinion of the Directors, in the interests of the Company and its shareholders as a whole.”

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

Hong Kong, 5 March 2024

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Any member entitled to attend and vote at the Meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member who is the holder of two or more Shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the Meeting of the Company. A proxy need not be a member of the Company. A proxy of a member who has appointed more than one proxy may only vote on a poll.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. Where there are joint holders of any Shares of the Company, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such Shares as if he or she were solely entitled thereto; but if more than one of such joint holders be present at the Meeting the vote of senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
4. To be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be delivered to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude a member from attending and voting in person at the Meeting or at any adjournment thereof and, in such event, the instrument appointing a proxy shall be deemed to have been revoked.
5. The register of members of the Company will be closed from Thursday, 21 March 2024 to Monday, 25 March 2024 (both days inclusive), during which period no transfer of Shares will be effected. Members of the Company whose names appear on the register of members on Monday, 25 March 2024 shall be entitled to attend and vote at the Meeting. 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 20 March 2024.
6. As at the date hereof, the Board of Directors comprises: (a) Executive Directors: Mr. Fung Siu Por, Lawrence, Ms. See Sau Mei Salome and Ms. Wong Ching; (b) Non-executive Director: Mr. Chu Yu Lun; and (c) Independent Non-executive Directors: Mr. Lo Foo Cheung, Mr. O'Yang Wiley and Mr. Sin Hendrick.