



**EDICO Holdings Limited**  
**鉅京控股有限公司\***

(Incorporated in the Cayman Islands with limited liability)  
Stock code : 8450

\* For identification purpose only



## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE" AND THE "GEM", RESPECTIVELY)

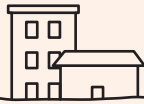
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*Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.*

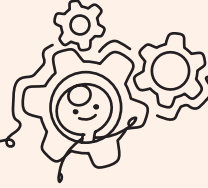
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*This report, for which the directors of EDICO Holdings Limited (the "**Company**" and the "**Directors**", respectively) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report 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 report misleading.*

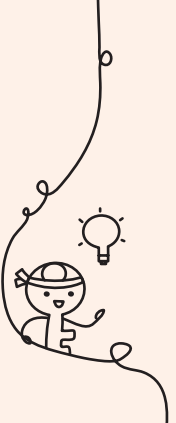





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## FINANCIAL HIGHLIGHTS




The Group's unaudited revenue for the six months ended 31st March 2020 amounted to approximately HK\$28.0 million, increased by approximately 24.4% as compared to that of the same period in 2019.




The Group's unaudited gross profit for the six months ended 31st March 2020 amounted to approximately HK\$14.1 million, increased by approximately 62.1% as compared to that of the same period in 2019.



The Group recorded an unaudited net loss of approximately HK\$1.0 million and approximately HK\$8.1 million for the six months ended 31st March 2020 and 2019 respectively.

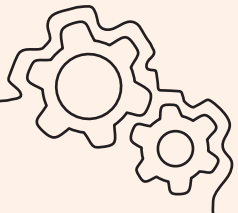


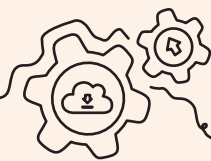
The basic loss per share for the six months ended 31st March 2020 was HK0.10 cent (six months ended 31st March 2019: HK0.81 cent).



The Board has resolved not to declare the payment of any dividend for the six months ended 31st March 2020 (six months ended 31st March 2019: HK\$Nil).

On 19th December 2018, the Board had recommended the payment of a final dividend of HK\$0.005 per share, amounting to HK\$5 million, in respect of the year ended 30th September 2018 (2017: HK\$Nil). Such final dividend had been approved by the Shareholders at the AGM held on 22nd February 2019 and was paid to the Shareholders on 20th March 2019.





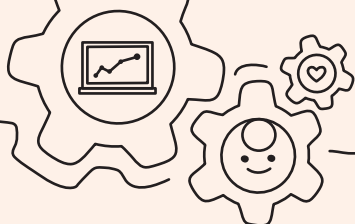
## INTERIM RESULTS

The board of Directors (the “**Board**”) announces the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively the “**Group**”) for the six months and three months ended 31st March 2020, together with the relevant comparative unaudited/audited figures.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME


For the three months and six months ended 31st March 2020

	Note	For the three months ended 31st March		For the six months ended 31st March	
		2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Revenue	4	<b>16,056</b>	8,049	<b>27,998</b>	22,452
Cost of services		<b>(7,869)</b>	(7,263)	<b>(13,930)</b>	(13,781)
Gross profit		<b>8,187</b>	786	<b>14,068</b>	8,671
Other income		<b>324</b>	251	<b>368</b>	375
Selling and distribution expenses		<b>(380)</b>	(675)	<b>(1,016)</b>	(1,115)
Administrative expenses		<b>(6,810)</b>	(8,993)	<b>(13,786)</b>	(16,070)
Finance costs		<b>(279)</b>	—	<b>(593)</b>	—
Profit/(Loss) before tax		<b>1,042</b>	(8,631)	<b>(959)</b>	(8,139)
Income tax credit	6	—	97	—	—
Profit/(Loss) and total comprehensive loss for the period attributable to the owners of the Company	7	<b>1,042</b>	(8,534)	<b>(959)</b>	(8,139)
Earnings/(Loss) per share		<b>HK cent</b>	HK cent	<b>HK cent</b>	HK cent
Basic and diluted	9	<b>0.10</b>	(0.85)	<b>(0.10)</b>	(0.81)




## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March 2020

	Note	As at 31st March 2020 HK\$'000 (Unaudited)	As at 30th September 2019 HK\$'000 (Audited)
 <b>Non-current Assets</b>			
Property, plant and equipment	10	2,838	3,292
Right-of-use assets	11	19,266	—
<b>Total Non-current Assets</b>		<b>22,104</b>	3,292
<b>Current Assets</b>			
Contract assets		3,524	10,753
Trade receivables	12	21,617	18,158
Prepayments and deposits		3,727	3,714
Cash and bank balances and time deposits		50,476	47,399
Income tax recoverable		260	561
<b>Total Current Assets</b>		<b>79,604</b>	80,585
<b>Current Liabilities</b>			
Contract liabilities		7,895	6,062
Trade payables	13	5,684	6,369
Lease liabilities	11	10,932	—
Accruals		833	2,707
<b>Total Current Liabilities</b>		<b>25,344</b>	15,138
<b>Net Current Assets</b>		<b>54,260</b>	65,447
<b>Total Assets less Current Liabilities</b>		<b>76,364</b>	68,739
<b>Non-current Liabilities</b>			
Lease liabilities	11	8,584	—
		8,584	—
<b>Net Assets</b>		<b>67,780</b>	68,739
<b>Capital and Reserves</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	14	10,000	10,000
Reserves		57,780	58,739
<b>Total Equity</b>		<b>67,780</b>	68,739

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

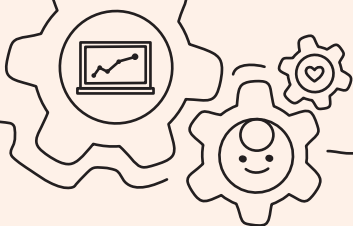
For the six months ended 31st March 2020



	Attributable to owners of the Company					Total HK\$'000
	Share Capital HK\$'000 (Note i)	Share Premium HK\$'000 (Note ii)	Capital Reserve HK\$'000 (Note iii)	Merger Reserve HK\$'000 (Note iv)	Retained Earnings HK\$'000	
As at 1st October 2019 (audited)	10,000	36,735	5,074	16	16,914	68,739
Loss and total comprehensive loss for the period	—	—	—	—	(959)	(959)
<b>As at 31st March 2020 (unaudited)</b>	<b>10,000</b>	<b>36,735</b>	<b>5,074</b>	<b>16</b>	<b>15,955</b>	<b>67,780</b>
As at 1st October 2018 (audited)	10,000	36,735	5,074	16	33,457	85,282
Loss and total comprehensive loss for the period	—	—	—	—	(8,139)	(8,139)
Dividend paid	—	—	—	—	(5,000)	(5,000)
As at 31st March 2019 (unaudited)	10,000	36,735	5,074	16	20,318	72,143

Notes:

- (i) The Company is a limited liability company incorporated in the Cayman Islands on 20th May 2016 with an authorised share capital of HK\$380,000 divided into 38,000,000 ordinary shares of HK\$0.01 each. On the date of its incorporation, 1 ordinary share was issued, nil paid, to the subscriber.
- (ii) The balance in share premium account was resulted from the capitalisation issue and the initial public offering completed in February 2018.
- (iii) The capital reserve of the Group represented the difference between the cost of investment and the issued share capital of a subsidiary.
- (iv) The merger reserve of the Group arose as a result of the reorganisation of the Group completed on 16th January 2018 (the “**Reorganisation**”) in preparation for the listing of the shares of the Company (the “**Shares**”) in issue on GEM (the “**Listing**”) and represented the difference between the nominal value of new Shares issued for the exchange of the issued shares of the subsidiary under the Reorganisation and the carrying amount of its share of the subsidiary’s own equity items.



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

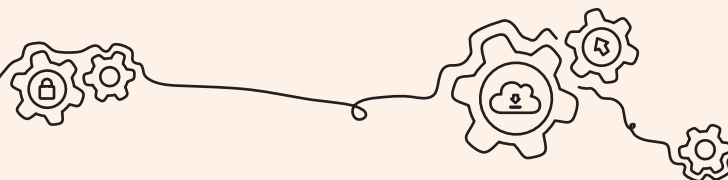
For the six months ended 31st March 2020



Six months ended 31st March

	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Net cash from/(used in) operating activities	<b>8,557</b>	(4,936)
Cash Flows from Investing Activities		
Interest received	<b>368</b>	331
Purchase of property, plant and equipment	<b>—</b>	(3,483)
Net cash from/(used in) investing activities	<b>368</b>	(3,152)
Cash Flows from Financing Activities		
Dividend paid	<b>—</b>	(5,000)
Repayment of lease liabilities	<b>(5,848)</b>	—
Net cash used in financing activities	<b>(5,848)</b>	(5,000)
Net increase/(decrease) in cash and cash equivalents	<b>3,077</b>	(13,088)
Cash and cash equivalents at the beginning of the period	<b>47,399</b>	62,389
Cash and cash equivalents at the end of the period	<b>50,476</b>	49,301





# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31st March 2020

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law of the Cayman Islands and registered as an exempted company with limited liability on 20th May 2016 and its issued Shares were initially listed on GEM on 2nd February 2018 (the "**Listing Date**"). The address of the Company's registered office is at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company's principal place of business is located at 8/F., Wheelock House, 20 Pedder Street, Central, Hong Kong. In the opinion of the Directors, the parent and the ultimate holding company of the Company is Achiever Choice Limited ("**Achiever Choice**"), a company incorporated in the British Virgin Islands (the "**BVI**"). The ultimate controlling shareholder of the Company is Mr. Chan Tsang Tieh ("**Mr. Chan**") as of the date of this report. Mr. Chan is also the chairman of the Board (the "**Chairman**") and an executive Director.

The Company is an investment holding company and its principal subsidiaries are principally engaged in the provision of financial printing services in Hong Kong.

The unaudited condensed consolidated financial statements of the Group for the six months ended 31st March 2020 (the "**Unaudited Condensed Consolidated Financial Statements**") are presented in Hong Kong Dollars ("**HK\$**") which is also the functional currency of the Company and all values are rounded to the nearest thousand ("**HK\$'000**") unless otherwise stated.

## 2. BASIS OF PREPARATION

The Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (the "**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the Unaudited Condensed Consolidated Financial Statements are consistent with those adopted in preparing the annual financial statements of the Group for the year ended 30th September 2019.

The Unaudited Condensed Consolidated Financial Statements have been prepared under the historical cost basis.

On 1st October 2019, the Group adopted all the new and revised HKFRSs, amendments and interpretations that were effective from that date and were relevant to its operations. Except HKFRS 16 as described below, the adoption of these new and revised HKFRSs, amendments and interpretations does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior period.



### 3. APPLICATION OF NEW AND REVISED HKFRSs

#### AMENDMENTS TO HKFRSS THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT PERIOD

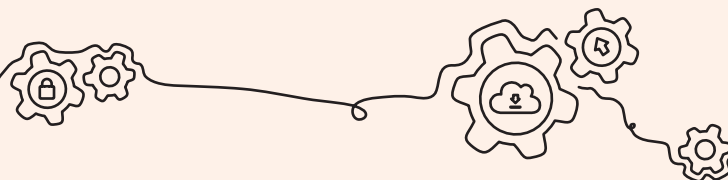
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
HKFRS 16	Leases
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
HK (IFRIC)-Int 23	Uncertainty over Income Tax Treatments

#### HKFRS 16 LEASES

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 supersedes HKAS 17 *Leases* and the related interpretations.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. The distinction of operating leases and finance leases is removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low-value assets.

Before the adoption of HKFRS 16, commitments under operating leases for future periods were not recognised as liabilities. Operating lease rental expenses were recognised in the consolidated statement of profit or loss and other comprehensive income over the lease period on a straight-line basis. Under HKFRS 16, the Group measures a leased liability based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial adoption. The unpaid rental payable under the original financial reporting standards on leases will be included in the remaining lease payments. The Group measures right-of-use assets based on each lease option assuming that the new standards on leases are adopted to measure right-of-use assets once the lease term commences, and the carrying amount is discounted using the incremental borrowing rate at the date of initial adoption.



## 4. REVENUE

Revenue represents the value of financial printing services rendered.

The following is an analysis of the Group's revenue from its financial printing services during the three and six months ended 31st March 2019 and 2020:

	For the three months ended 31st March		For the six months ended 31st March	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Listing-related documents	9,645	2,685	14,542	10,260
Periodical reporting documents	1,244	2,243	4,351	5,009
Compliance documents	3,950	2,222	7,625	5,579
Miscellaneous and marketing collaterals (Note)	1,217	899	1,480	1,604
	<b>16,056</b>	8,049	<b>27,998</b>	22,452

Note: Miscellaneous and marketing collaterals mainly include corporate brochures, leaflets, calendars and other marketing materials.


## 5. SEGMENT INFORMATION

HKFRS 8 *Operating Segments* requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the executive Directors, being the chief operating decision maker, for the purpose of resources allocation and performance assessment. On this basis, the Group has determined that it has only one operating segment which is the provision of financial printing services.

In addition, all of the Group's revenue is generated in Hong Kong and all of the Group's assets and liabilities are located in Hong Kong. Accordingly, the Group does not present separately segment information.



## 6. INCOME TAX CREDIT




	For the three months ended 31st March		For the six months ended 31st March	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Current tax: Hong Kong Profits tax	—	97	—	—

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

No provision of Hong Kong profits tax has been made in these consolidated financial statements as the Group had no assessable profits for the period under review and had available tax losses brought forward from prior years to offset the assessable profits generated during the period under review.

## 7. PROFIT/(LOSS) FOR THE PERIOD

Profit/(Loss) for the period has been arrived at after charging:



	For the three months ended 31st March		For the six months ended 31st March	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Employee benefits expense (including Directors' emoluments):				
Salaries and allowances	4,429	6,582	9,277	11,893
Pension scheme contributions	182	221	376	422
	4,611	6,803	9,653	12,315
Depreciation of property, plant and equipment	223	243	454	314
Depreciation of right-of-use assets	2,753	—	5,505	—
Finance costs — interest on lease liabilities	279	—	593	—
Minimum lease payments under operating leases	233	3,225	532	5,673



## 8. DIVIDENDS

The Board has resolved not to declare the payment of any dividend for the six months ended 31st March 2020 (six months ended 31st March 2019: HK\$Nil).

On 19th December 2018, the Board had recommended the payment of a final dividend of HK\$0.005 per share, amounting to HK\$5 million, in respect of the year ended 30th September 2018 (2017: HK\$Nil). Such final dividend had been approved by the shareholders of the Company (the "Shareholders") at the annual general meeting of the Company (the "AGM") held on 22nd February 2019 and was paid to the Shareholders on 20th March 2019.

## 9. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share attributable to the owners of the Company is based on the following data:

	For the three months ended 31st March		For the six months ended 31st March	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
 Profit/(Loss): Profit/(Loss) attributable to owners of the Company for the purpose of calculating basic earnings/(loss) per share	1,042	(8,534)	(959)	(8,139)
 Number of shares: Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	1,000,000	1,000,000	1,000,000	1,000,000
Basic and diluted earnings/(loss) per share	HK cent 0.10	HK cent (0.85)	HK cent (0.10)	HK cent (0.81)

The diluted earnings/(loss) per share is equal to the basic earnings/(loss) per share as there were no potentially dilutive ordinary Shares in issue during the periods.




## 10. PROPERTY, PLANT AND EQUIPMENT

For the six months ended 31st March 2020, the Group did not acquire any plant and equipment (six months ended 31st March 2019: Aggregate cost of approximately HK\$3,483,000).

## 11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

### RIGHT-OF-USE ASSETS




	<b>As at 31st March 2020 HK\$'000 (Unaudited)</b>	As at 30th September 2019 HK\$'000 (Audited)
As at 1st October 2019	<b>24,771</b>	—
Depreciation provided during the period	<b>(5,505)</b>	—
<b>As at 31st March 2020</b>	<b>19,266</b>	—

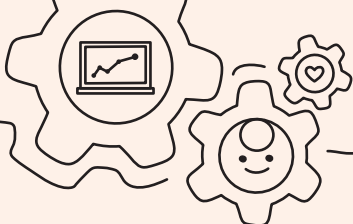
The right-of-use assets represent the Group's rights to use underlying leased premises under operating lease arrangements over the lease terms, which are stated at cost less accumulated depreciation and accumulated impairment losses, and are adjusted for any remeasurement of the lease liabilities.

## 11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)


### LEASE LIABILITIES



	<b>As at 31st March 2020 HK\$'000 (Unaudited)</b>	As at 30th September 2019 HK\$'000 (Audited)
<b>Analysed as:</b>		
Current	<b>10,932</b>	—
Non-current	<b>8,584</b>	—
	<b>19,516</b>	—
<b>Minimum lease payments due:</b>		
Within one year	<b>11,697</b>	—
More than one year but not later than two years	<b>8,772</b>	—
	<b>20,469</b>	—
Less: Future finance charges	<b>(953)</b>	—
Present value of lease liabilities	<b>19,516</b>	—
<b>Maturity analysis:</b>		
Within one year	<b>10,932</b>	—
More than one year but not later than two years	<b>8,584</b>	—
	<b>19,516</b>	—




## 12. TRADE RECEIVABLES

	<b>As at 31st March 2020 HK\$'000 (Unaudited)</b>	As at 30th September 2019 HK\$'000 (Audited)
 Trade receivables, gross	<b>24,242</b>	20,783
Less: Impairment	<b>(2,625)</b>	(2,625)
	<b>21,617</b>	18,158

The Group's trading terms with its customers are mainly on credit. The credit period is generally 45–60 days. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.


An aging analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provision, is as follows:

	<b>As at 31st March 2020 HK\$'000 (Unaudited)</b>	As at 30th September 2019 HK\$'000 (Audited)
 Within 30 days	<b>18,371</b>	7,794
31 to 60 days	<b>879</b>	1,790
61 to 90 days	<b>528</b>	4,701
91 to 180 days	<b>1,100</b>	3,271
181 days to one year	<b>739</b>	602
Over one year	<b>—</b>	—
	<b>21,617</b>	18,158



## 13. TRADE PAYABLES


An aging analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:



	<b>As at 31st March 2020 HK\$'000 (Unaudited)</b>	As at 30th September 2019 HK\$'000 (Audited)
Within 30 days	<b>2,055</b>	3,225
31 to 60 days	<b>2,480</b>	990
61 to 90 days	<b>410</b>	625
91 to 180 days	<b>64</b>	1,415
181 days to one year	<b>564</b>	25
Over one year	<b>111</b>	89
	<b>5,684</b>	6,369

The trade payables are non-interest-bearing and are normally settled on 30–60 day terms.

## 14. SHARE CAPITAL



	<b>Number of ordinary shares</b>	<b>Share capital HK\$</b>
Authorised ordinary shares of HK\$0.01 each As at 30th September 2019 and <b>31st March 2020</b>	<b>5,000,000,000</b>	<b>50,000,000</b>
Issued and fully paid ordinary shares of HK\$0.01 each As at 30th September 2019 and <b>31st March 2020</b>	<b>1,000,000,000</b>	<b>10,000,000</b>



## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW AND OUTLOOK

During the six months ended 31st March 2020, the Group recorded an increase in revenue of approximately 24.4% as compared to that of the same period of last year, which was mainly attributable to the increase in revenue generated from the (i) listing-related documents segment of approximately HK\$4.2 million from approximately HK\$10.3 million for the six months ended 31st March 2019 to approximately HK\$14.5 million for the six months ended 31st March 2020; and (ii) compliance documents segment of approximately HK\$2.0 million from approximately HK\$5.6 million for the six months ended 31st March 2019 to approximately HK\$7.6 million for the six months ended 31st March 2020. The Group recorded a loss after tax of approximately HK\$1.0 million for the six months ended 31st March 2020 as compared with that of approximately HK\$8.1 million for the six months ended 31st March 2019.

Despite the challenging operating environment, Hong Kong will stay as a leading initial public offering (“IPO”) fund raising centre globally and recently, we have already seen the early resurgence in the city’s IPO activities as well as the demand for the first-tier financial printing services. We firmly believe that customer satisfaction and quality services are the cornerstones of the Group’s long-term sustainable growth. Thus, the Group will continue to invest in our facilities and our staff to further enhance our service standard and competitiveness.

### FINANCIAL REVIEW

#### REVENUE

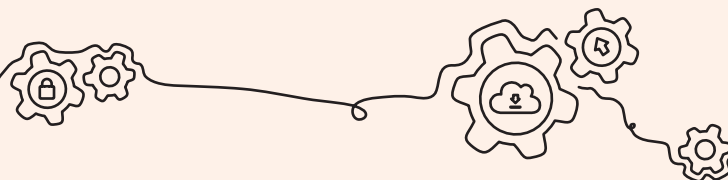
The Group’s revenue increased from approximately HK\$22.5 million for the six months ended 31st March 2019 to approximately HK\$28.0 million for the six months ended 31st March 2020, representing an increase of approximately 24.4%. Segmentally, revenue generated from the listing-related documents and revenue generated from compliance documents increased by approximately HK\$4.2 million and approximately HK\$2.0 million, respectively whereas revenue related to periodical reporting documents and revenue generated from miscellaneous and marketing collaterals decreased by approximately HK\$0.6 million and approximately HK\$0.1 million, respectively. The increase in revenue was mainly attributable to an increase in the revenue generated from handling listing-related documents as a result of an increase in the number of new customers successfully listed on the Stock Exchange during the six months ended 31st March 2020.

#### COST OF SERVICES

The Group’s cost of services mainly included translation cost, printing cost and staff cost, which represented approximately 39.2%, 22.2% and 28.0%, respectively of the Group’s total cost of services for the six months ended 31st March 2020. The Group’s cost of services increased from approximately HK\$13.8 million for the six months ended 31st March 2019 to approximately HK\$13.9 million for the six months ended 31st March 2020, representing an increase of approximately 0.7%. Owing to the Group’s stringent cost control, the extent of the increase in cost of services was lesser than the increase of the Group’s revenue during the period under review.

#### GROSS PROFIT

The Group’s gross profit increased from approximately HK\$8.7 million for the six months ended 31st March 2019 to approximately HK\$14.1 million for the six months ended 31st March 2020, representing an increase of approximately 62.1%. The increase was mainly attributable to the increase in revenue generated from the listing-related documents and compliance documents.



## OTHER INCOME

The Group's other income was relatively stable, which was approximately HK\$0.4 million for both the six months ended 31st March 2019 and 2020.

## SELLING AND DISTRIBUTION EXPENSES

The Group's selling and distribution expenses were more or less the same, which were approximately HK\$1.1 million and approximately HK\$1.0 million for the six months ended 31st March 2019 and 2020, respectively.

## ADMINISTRATIVE EXPENSES

The Group's administrative expenses decreased from approximately HK\$16.1 million for the six months ended 31st March 2019 to approximately HK\$13.8 million for the six months ended 31st March 2020. The decrease was mainly attributable to a decrease in staff cost.

## FINANCE COSTS

The Group did not incur any finance costs for the six months ended 31st March 2019 whereas finance costs on lease liabilities of approximately HK\$0.6 million were recorded for the six months ended 31st March 2020 due to the adoption of HKFRS 16.

## INCOME TAX EXPENSE

No provision of Hong Kong profits tax has been made for the six months ended 31st March 2019 and 2020 as the Group had no assessable profits for the periods and had available tax losses brought forward from prior years.

## LOSS FOR THE PERIOD

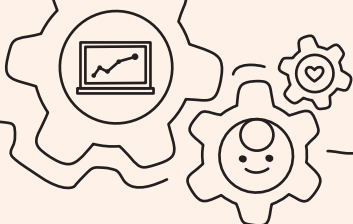
The Group recorded a loss after tax of approximately HK\$1.0 million for the six months ended 31st March 2020 as compared with that of approximately HK\$8.1 million for the six months ended 31st March 2019. The change was primarily due to the increase of the Group's revenue during the six months ended 31st March 2020.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31st March 2020, our Group had cash and bank balances and time deposits of approximately HK\$50.5 million (30th September 2019: HK\$47.4 million) and did not have any bank borrowings (30th September 2019: HK\$Nil).

Our primary use of cash is to satisfy our working capital and capital expenditure needs. Historically, our Group's use of cash was mainly financed through a combination of cash received from the provision of services and financial support from our shareholder. Since the Listing, our liquidity requirements have been satisfied using a combination of cash generated from operating activities and net proceeds from the Listing. Our Directors believe that in the long term, our Group's operation will be funded by internally generated cash flows and, if necessary, additional equity and/or debt financing.

As at 31st March 2020, our Group's current assets amounted to approximately HK\$79.6 million (30th September 2019: HK\$80.6 million) and current liabilities amounted to approximately HK\$25.3 million (30th September 2019: HK\$15.1 million). Current ratio (calculated by dividing current assets by current liabilities) was 3.1 times as at 31st March 2020 (30th September 2019: 5.3 times).



## CAPITAL EXPENDITURE

For the six months ended 31st March 2020, our capital expenditure amounted to HK\$Nil.

## USE OF NET PROCEEDS FROM THE LISTING

The Shares were listed on GEM on 2nd February 2018 with net proceeds received by the Company from the Share Offer (as defined in the prospectus of the Company dated 23rd January 2018 (the “**Prospectus**”)) in the amount of approximately HK\$28.7 million (the “**Net Proceeds**”), after deducting underwriting commission and all related listing expenses. The Net Proceeds have been/will be used in the manner consistent with that set out in the section headed “Future Plans and Use of Proceeds” of the Prospectus.

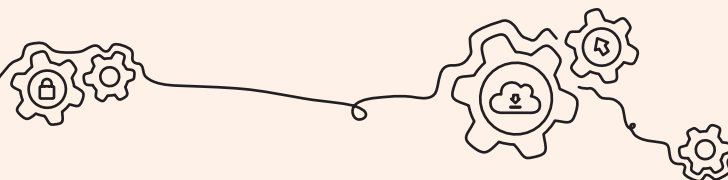
The table below sets out the planned applications of the Net Proceeds and actual usage:

<b>Intended application of the Net Proceeds</b>	<b>Total expenditure of the planned applications</b> <i>(Note 1)</i> (HK\$ million)	<b>Planned use of Net Proceeds</b> <i>(Note 2)</i> (HK\$ million)	<b>Actual usage from the Listing Date and up to 30th September 2019</b> (HK\$ million)	<b>Actual usage for the six months ended 31st March 2020</b> (HK\$ million)	<b>Unutilised Net Proceeds as at 31st March 2020</b> (HK\$ million)
Upgrading the Central Office <i>(Note 3)</i> and setting up a new office	18.6	13.9	3.1	—	10.8
Expanding the workforce	10.0	7.5	3.0	1.4	3.1
Upgrading and acquiring equipment and software	6.0	4.5	1.1	0.2	3.2

Notes:

- (1) Refers to the future plans as stated in the Prospectus.
- (2) Refers to the planned use of Net Proceeds as stated in the Prospectus.
- (3) Central Office represents the Group’s headquarters and principal place of business located at 8/F., Wheelock House, 20 Pedder Street, Central, Hong Kong.

As at the date of this report, the unused Net Proceeds were deposited in a licensed bank in Hong Kong and the Directors do not anticipate any material change to the plan as to the use of the unutilised Net Proceeds.



## COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL PROGRESS

The following is a comparison of the Group's business objectives as set out in the Prospectus with actual progress.

Business objectives as set out in the Prospectus	Actual progress up to 31st March 2020
— Upgrading the Central Office and setting up a new office ( <i>Note</i> )	The renovation work of the Central Office was completed by the end of December 2018.
— Expanding the workforce ( <i>Note</i> )	The Group has recruited additional staff to join the sales, services and operations departments.
— Upgrading and acquiring equipment and software ( <i>Note</i> )	The Group has upgraded its computer, email system and existing server configuration, and acquired conference rooms' facilities for serving its customers.

*Note:* Reference is made to the Prospectus under the section headed "Use of Proceeds". It is disclosed that the Company planned to utilise a portion of the Net Proceeds for setting up a new office which (i) was to replace the office located at New Kowloon Plaza, West Kowloon, Hong Kong (the "**Kowloon Office**") upon expiry of the lease in August 2018 and (ii) would be in the proximity of the Central Office. At the time the Group designated its plan in the section headed "Use of Proceeds" and the time it was actively sourcing an appropriate office in the vicinity of Central and western districts in Hong Kong subsequent to the Listing, the Group has found that rental had soared significantly during the intervening period. During year 2018, the Group, therefore, resorted to extending the lease contract of the Kowloon Office for another year. During year 2019, the lease contract was further extended till August 2020. However, having considered the increasingly competitive business environment, the economic slowdown in Hong Kong and the actual development of the Group, the Group did not fully utilise the Net Proceeds in accordance with the planned time frame disclosed in the Prospectus. We have planned to delay the utilisation of the Net Proceeds from the six-month period ended 31st March 2020 to the year ending 31st March 2021. We shall continue sourcing a prospective location in the Central and western districts as planned.

## GEARING RATIO

Gearing ratio is calculated as net debt (comprising contract liabilities, trade payables, accruals, and lease liabilities, less cash and cash equivalents) at the end of the respective period divided by total equity. Gearing ratio was not applicable to the Group as at 31st March 2020 and 30th September 2019 as the Group did not have net debt on both dates.

## FOREIGN CURRENCY EXPOSURE

Since the Group's business activities are solely operated in Hong Kong and mainly denominated in Hong Kong Dollars, the Directors consider that the Group's risk in foreign exchange is insignificant.

## CAPITAL COMMITMENTS

As at 31st March 2020, apart from the implementation plans, capital needs and financing plans as stated in the sections headed "Future Plans and Use of Proceeds" and "Financial Information" of the Prospectus, the Group had no other new implementation plans or financing plans.



## **CONTINGENT LIABILITIES**

The Group had no significant contingent liabilities as at 31st March 2020 (31st March 2019: HK\$Nil).

## **MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

There was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group during the six months ended 31st March 2020.

## **SIGNIFICANT INVESTMENTS**

As at 31st March 2020, the Group did not hold any significant investments or capital assets.

## **CHARGES ON THE GROUP'S ASSETS**

As at 31st March 2020, the Group had no charges on the Group's assets.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31st March 2020, the Group had a total headcount of 55 full-time employees (31st March 2019: 61 full-time employees). The Group's employee benefit expenses mainly include salaries, wages, discretionary bonus, other staff benefits and contributions to retirement schemes. Remuneration is determined by reference to the market conditions and the performance, qualification and experience of individual employee.

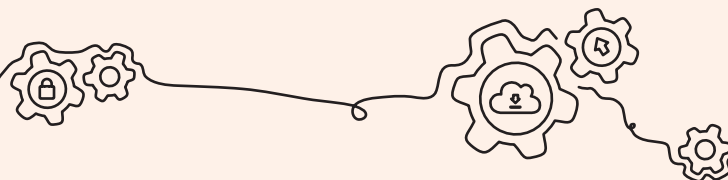
Furthermore, the Company has adopted a share option scheme as an incentive or reward for the eligible participants for their contribution to the Group, and provides continuous training to its employees to improve their skills and develop their potential.

## **DIVIDEND**

The Board has resolved not to declare the payment of an interim dividend for the six months ended 31st March 2020 (six months ended 31st March 2019: HK\$Nil).

## **EVENTS AFTER THE REPORTING PERIOD**

The Board is not aware of any significant events requiring disclosure that have occurred after 31st March 2020 and up to the date of this report.



## CORPORATE GOVERNANCE AND OTHER INFORMATION

### DISCLOSURE OF INTERESTS

#### (a) INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31st March 2020, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO"), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

#### Long position in the Shares

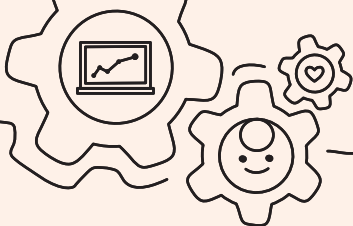
Name of Director	Capacity/nature of interests	Number of Shares held	Percentage of interest in the Company
Mr. Chan (Note)	Interest in a controlled corporation	750,000,000	75%

Note: The Company is owned as to 75% by Achiever Choice which is wholly owned by Mr. Chan, the Chairman and an executive Director. Under the SFO, Mr. Chan is deemed to be interested in the same parcel of Shares held by Achiever Choice. Mr. Chan is the sole director of Achiever Choice.

#### Long position in the ordinary shares of associated corporation

Name of Director	Name of associated corporation	Capacity/nature of interests	Number of shares held	Percentage of interest in the company
Mr. Chan	Achiever Choice	Beneficial owner	1	100%

Save as disclosed above and so far as is known to the Directors, as at 31st March 2020, none of the Directors nor the chief executives of the Company had or was deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.



## (b) INTERESTS OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

As at 31st March 2020, so far as is known to the Directors, the following entity (not being a Director or the chief executive of the Company) had, or was deemed to have, interests or short positions (directly or indirectly) in the Shares or underlying Shares that 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 which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as follows:

### Long position in the Shares

Name of Shareholder	Capacity/nature of interests	Number of Shares held	Percentage of interest in the Company
Achiever Choice (Note)	Beneficial owner	750,000,000	75%

Note: Achiever Choice is the beneficial owner of 750,000,000 Shares, representing 75% of the Company's issued share capital. Achiever Choice is wholly owned by Mr. Chan.

Save as disclosed above and so far as is known to the Directors, as at 31st March 2020, the Directors were not aware of any other entity which or person (other than a Director or the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares that would fall to be required 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 which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## SHARE OPTION SCHEME

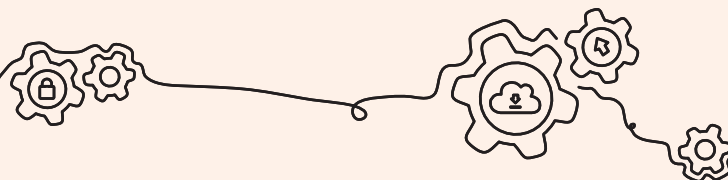
A share option scheme of the Company (the "**Share Option Scheme**") was approved and conditionally adopted by the then sole Shareholder by way of written resolutions on 16th January 2018. The Share Option Scheme became effective on the Listing Date. For the principal terms of the Share Option Scheme, please refer to "D. Share Option Scheme" in Appendix IV to the Prospectus.

As no share options have been granted by the Company under the Share Option Scheme since its adoption, there was no share option outstanding as at 31st March 2020 and no share options were exercised or cancelled or lapsed during the six months ended that date.

## COMPETING INTERESTS

None of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company or any of their respective close associates (as defined in the GEM Listing Rules) had any business or interest in a business that competed or might compete with the business of the Group and had or might have any other conflicts of interest with the Group during the six months ended 31st March 2020.





## INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Giraffe Capital Limited as its compliance adviser (the “**Compliance Adviser**”). The Compliance Adviser has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules. As notified by the Compliance Adviser, for the six months ended 31st March 2020 and up to the date of this report, except for the compliance adviser agreement entered into between the Company and the Compliance Adviser concerning the fees payable by the Company to the Compliance Adviser for acting in such capacity, none of the Compliance Adviser or its directors, employees or close associates (as defined in the GEM Listing Rules) had any interests in the securities of the Company or any member of the Group (including options or rights to subscribe for such securities), which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

## CODE OF CORPORATE GOVERNANCE PRACTICES

The Company endeavours to adopt prevailing best corporate governance practices. During the six months ended 31st March 2020, save for the deviation from code provision E.1.2 of the Corporate Governance Code as contained in Appendix 15 to the GEM Listing Rules (the “**CG Code**”) as mentioned just below, the Company had complied with all the code provisions set out in the CG Code.

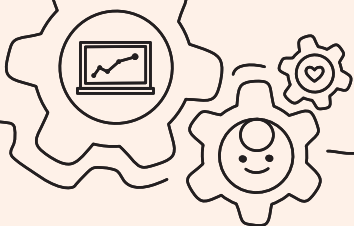
Due to other engagements, Mr. Chan, the Chairman, was unable to attend the AGM held on 5th February 2020 (the “**2020 AGM**”). In the absence of the Chairman, Mrs. Donati Chan Yi Mei Amy, an executive Director and the chief executive officer of the Company, took the chair of the 2020 AGM in accordance with the articles of association of the Company to ensure an effective communication with the Shareholders.

## DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Required Standard of Dealings**”) as its own code of conduct governing the securities transactions by the Directors. The Company had made specific enquiries of all the Directors and each of them has confirmed that he/she had complied with the Required Standard of Dealings during the six months ended 31st March 2020.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the six months ended 31st March 2020, the Company did not redeem any of its listed securities, nor did the Company and any of its subsidiaries purchase or sell such securities.



## AUDIT COMMITTEE

The financial information contained in this report has not been audited by the independent auditor of the Company. Pursuant to Rule 5.28 of the GEM Listing Rules, the Company established the audit committee (the “**Audit Committee**”) with written terms of reference aligned with the code provisions set out in Appendix 15 to the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control and risk management systems of the Group. As at the date of this report, the Audit Committee comprises Mr. Li Wai Ming (chairman), Mr. Wan Chun Wai Andrew and Ms. Chan Chiu Yee Natalie, being the independent non-executive Directors.

The Audit Committee has reviewed the unaudited condensed consolidated results of the Group for the six months ended 31st March 2020 and this report and is of the opinion that such results have been prepared in compliance with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

By Order of the Board  
**EDICO Holdings Limited**  
**Chan Tsang Tieh**  
*Chairman and Executive Director*

Hong Kong, 7th May 2020

*As at the date of this report, the executive Directors are Mr. Chan Tsang Tieh (Chairman) and Mrs. Donati Chan Yi Mei Amy (Chief Executive Officer); and the independent non-executive Directors are Mr. Li Wai Ming, Mr. Wan Chun Wai Andrew and Ms. Chan Chiu Yee Natalie.*