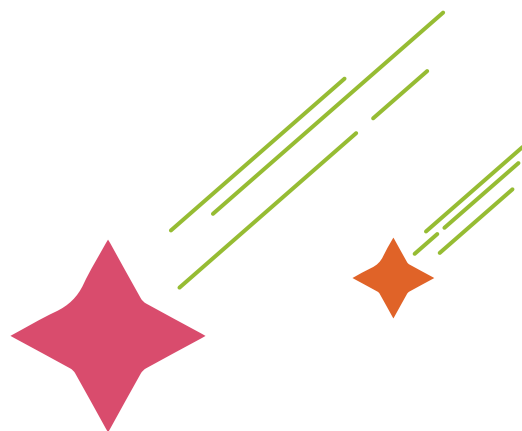


EDICO Holdings Limited

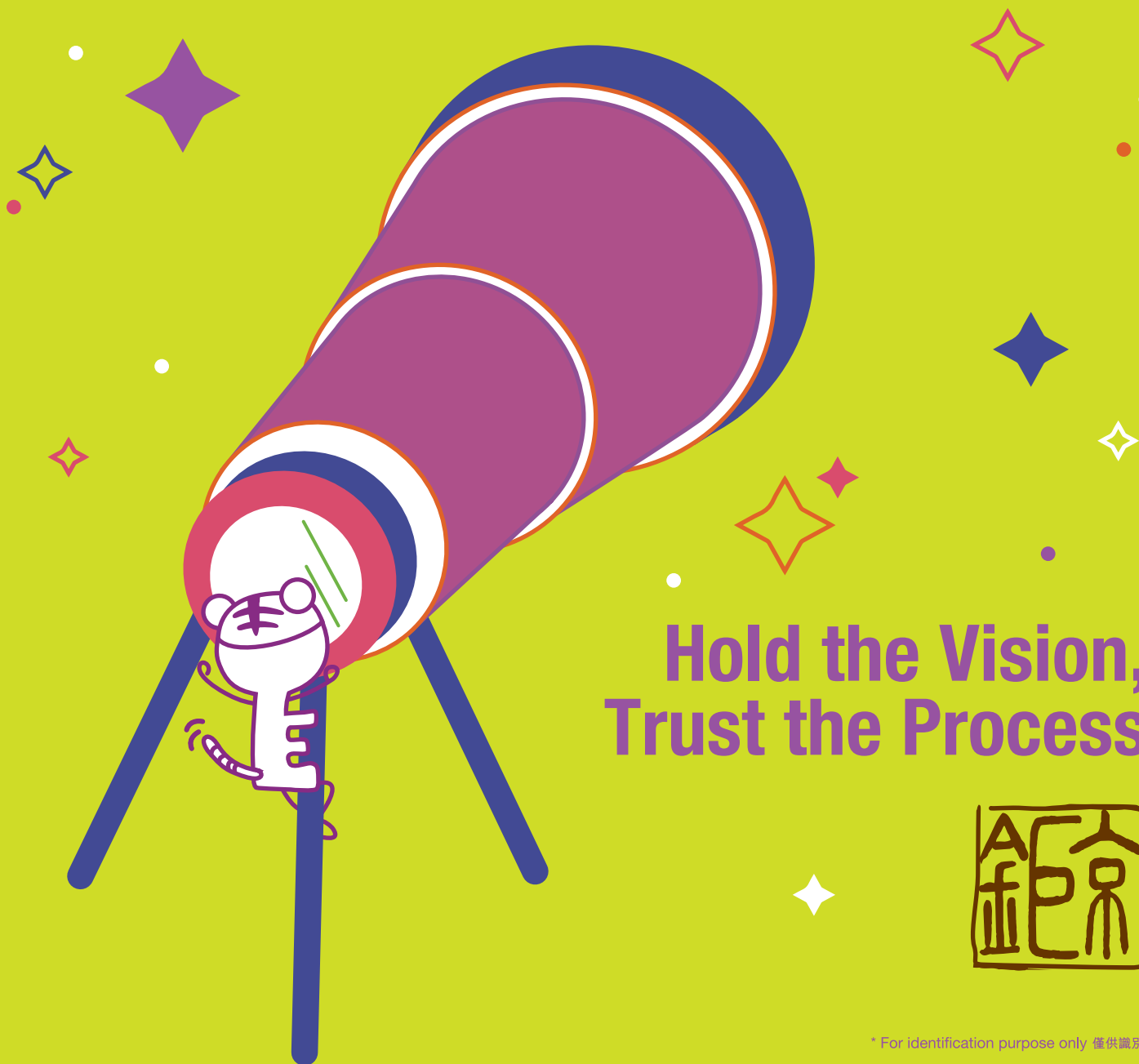
鉅京控股有限公司\*

(Incorporated in the Cayman Islands with limited liability 於開曼群島註冊成立之有限公司)

Stock code 股份代號 : 8450



Annual Report 年報 2020/2021



Hold the Vision,  
Trust the Process



\* For identification purpose only 僅供識別



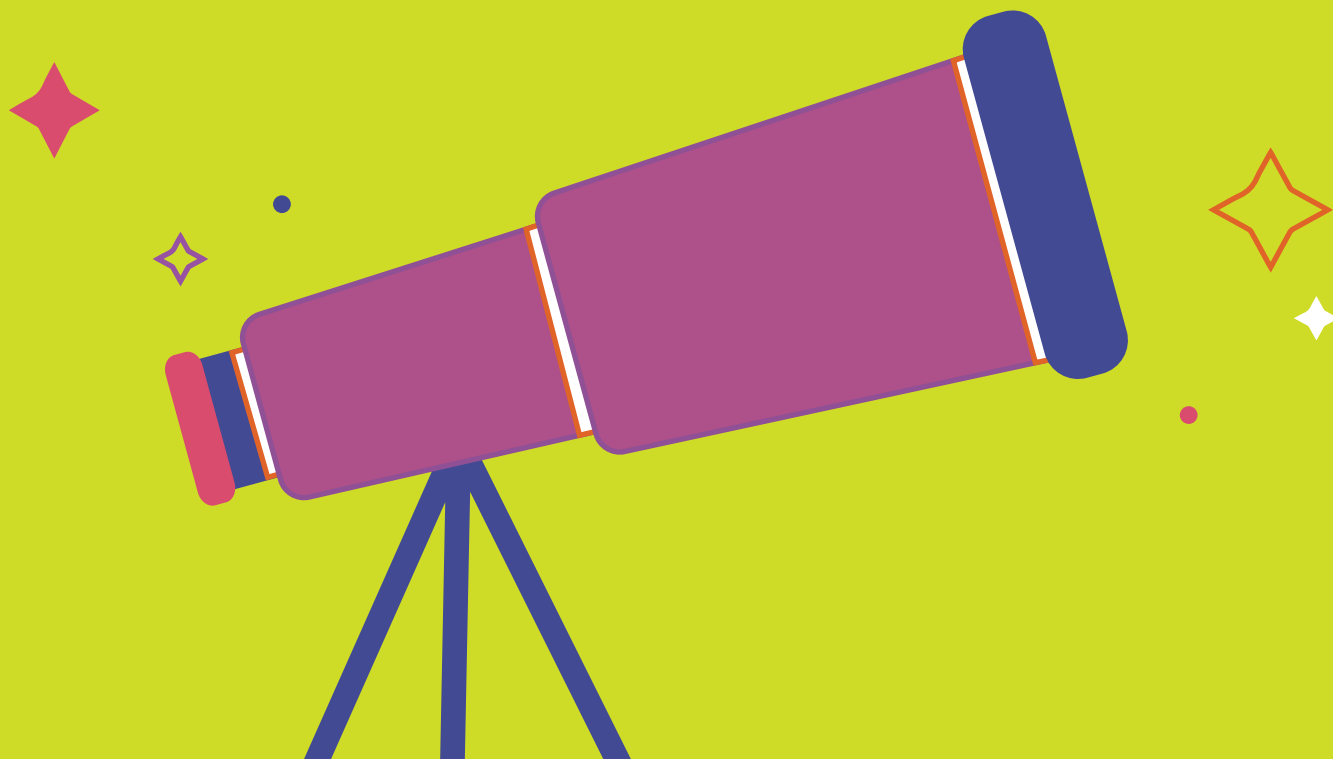
## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE” AND THE “GEM”, RESPECTIVELY)

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

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 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.



# COVER STORY

## 2020-2021



If life is a long meandering journey, the ups and downs along the course are those inevitable awaiting to happen. If every day is a lesson, how should we cope with the many lessons ahead?



In EDICO, every one of us are infused with positive thinking. Deep into people business, we have learnt to rein in every day challenge by clear vision, and honest work. Amid uncertainty, we focus on present, not looking back; fears and worries will not dwell in our dictionary.

On reflection, not every day is clear and shiny; every challenge is an opportunity in mask. Survivors are those who won't succumb to circumstances easily, but continue with dogged resilience and momentum. We, the EDICO people, are proud to be part of this camp.

Last but not least, gratitude is due to customers who have walked us through and to members in EDICO who have made every vision to be a reality.

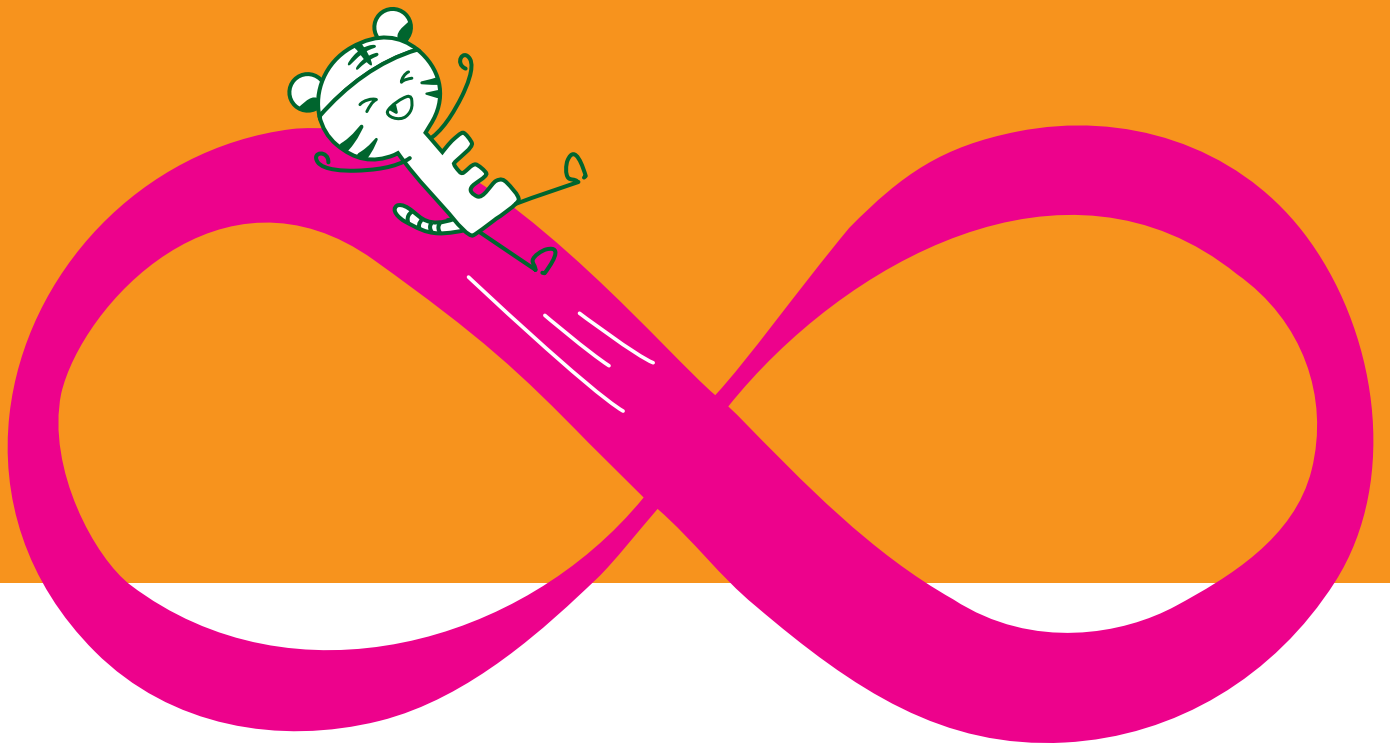




# CONTENT

*Your vibe attracts your tribe*

- 04** Corporate Information
- 06** Chairman's Statement
- 07** CEO's Message
- 09** Management Discussion and Analysis
- 18** Directors and Senior Management Profiles
- 22** Directors' Report
- 35** Corporate Governance Report
- 53** Independent Auditor's Report
- 59** Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 60** Consolidated Statement of Financial Position
- 61** Consolidated Statement of Changes in Equity
- 62** Consolidated Statement of Cash Flows
- 63** Notes to the Consolidated Financial Statements
- 104** Financial Summary



*Once you become fearless, life becomes limitless*





# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### EXECUTIVE DIRECTORS

Mr. Chan Tsang Tieh (*Chairman*)  
Mrs. Donati Chan Yi Mei Amy (*Chief Executive Officer*)

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Li Wai Ming  
Mr. Wan Chun Wai Andrew  
Ms. Chan Chiu Yee Natalie

## BOARD COMMITTEES

### AUDIT COMMITTEE AND RISK MANAGEMENT COMMITTEE

Mr. Li Wai Ming (*Chairperson*)  
Mr. Wan Chun Wai Andrew  
Ms. Chan Chiu Yee Natalie

### REMUNERATION COMMITTEE

Mr. Wan Chun Wai Andrew (*Chairperson*)  
Mrs. Donati Chan Yi Mei Amy  
Ms. Chan Chiu Yee Natalie

### NOMINATION COMMITTEE

Ms. Chan Chiu Yee Natalie (*Chairperson*)  
Mr. Chan Tsang Tieh  
Mr. Wan Chun Wai Andrew

## COMPANY SECRETARY

Ms. Cheng Kwai Yee *FCCA*

## AUTHORISED REPRESENTATIVES

Mrs. Donati Chan Yi Mei Amy  
Ms. Cheng Kwai Yee

## COMPANY'S WEBSITE

[www.edico.com.hk](http://www.edico.com.hk)

## INDEPENDENT AUDITOR

PKF Hong Kong Limited  
26/F, Citicorp Centre  
18 Whitefield Road  
Causeway Bay  
Hong Kong

## COMPLIANCE OFFICER

Mrs. Donati Chan Yi Mei Amy

## REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands



# CORPORATE INFORMATION

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

8/F., Wheelock House  
20 Pedder Street  
Central  
Hong Kong

## PRINCIPAL BANKERS

Hang Seng Bank Limited  
Bank of Communications (Hong Kong) Limited  
Standard Chartered Bank (Hong Kong) Limited

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited  
Suites 3301-04, 33/F.  
Two Chinachem Exchange Square  
338 King's Road  
North Point  
Hong Kong

## LISTING INFORMATION

### PLACE OF LISTING

GEM of The Stock Exchange of Hong Kong Limited

### STOCK CODE

8450

### BOARD LOT

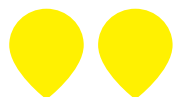
10,000 shares



# CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors of EDICO Holdings Limited ("EDICO" or the "Company"), I present the financial results of the Company and its subsidiaries (collectively the "Group") for the financial year ended 30th September 2021 (the "Year").



Under the COVID-19 pandemic, protracted social distancing restrictions and cautious Hong Kong IPO market sentiment amid the regulatory development in mainland China posted constant challenges to our business. Nevertheless, we have strengthened our operational capabilities and overall competitiveness throughout the years for customer retention. We believe the demand of the premium financial printing services will stay strong in long term and EDICO is well positioned to capitalize the opportunity. Meanwhile, we devoted substantial effort in integrating sustainability practices into our daily operations to create value for our stakeholders.

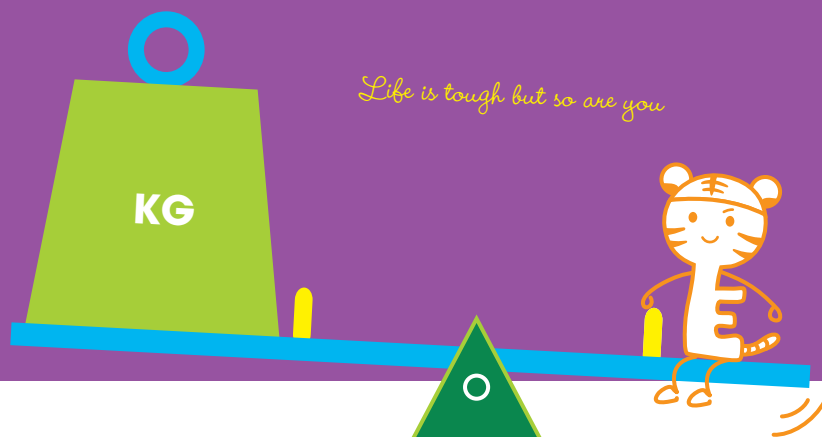
I would like to take this opportunity to express my heartfelt gratitude to my fellow directors, our management team, staff, business partners and shareholders for their devastating support over the Year.

**Chan Tsang Tieh**  
Chairman and Executive Director  
Hong Kong, 28th January 2022





# CEO'S MESSAGE



As a dedicated and devoted financial printer, EDICO is obligated to offer 24x7 uninterrupted services to our customers in any circumstances. This is particularly challenging under the COVID-19 pandemic. In order to balance the well-beings of all our stakeholders, we have to ensure our offices fully functional, as well as protecting the health and safety of our colleagues, customers, business partners and the communities. We were doing all we can to keep everyone safe by following all the pandemic prevention measures advised by the Hong Kong government, and proactively implementing a range of precautionary measures, from stringent sanitation and cleaning protocols to workplace distancing, temperature checks, access controls and online meetings.

Despite the challenges faced, we continued to invest in our hardware and software over the past few years to strengthen our operational efficiency and overall competitiveness. Experienced business development personnel has also joined our sales team during the Year for expanding our customer base. These early investments have successfully mitigated the impact of the paperless listing and subscription regime introduced by the Hong Kong Stock Exchange. Moreover, EDICO has always proactively supported sustainable development for striking a proper balance among business growth, environmental and social values. During the Year, we launched the “No Plastic Fantastic” program to reduce plastic consumptions in our offices.

Looking forward, we are cautious but hopeful about the prospects for the macro-environment ahead. There are still considerable uncertainties for the duration of the COVID-19 outbreak and when the social distancing measures could be lifted. Expectation of returning to normal life largely depends on the severity of the new coronavirus variants.

We remain positive on the outlook of the Hong Kong IPO market in long term as the pipeline of IPO applicants stood at high level, in particular for biotech and health care companies, and that will foster the demand for premium financial printing services. We will endeavor to persevere the provision of the best financial printing services in the city and capitalize any market opportunities, not only for IPO-related documents but also other listing related documents such as annual/interim reports, and Environment Social and Governance (“ESG”) reports. Our missions are to provide premium, unique and tailor-made services and solutions to our customers, and create the long-term values of the shareholders.

**Donati Chan Yi Mei Amy**

*Chief Executive Officer*

Hong Kong, 28th January 2022





## MISSION

*We are a trusted provider of financial printing services. We continue to pursue excellence through improvements in technology and people, never underestimate the role that we have in capital markets.*

## VISION

*To be a leading provider of financial printing services in the region.*

# MANAGEMENT DISCUSSION AND ANALYSIS



*Inhale courage exhale fear*

## BUSINESS REVIEW AND OUTLOOK

The Company and its subsidiaries (collectively the “Group”) aims to constantly engage proactive thinking and look not just for short-term solutions, but more importantly, also for comprehensive and versatile strategies based on its core corporate values and facilitate through observation, vision for the long-term with an utmost attitude. Given our beliefs, EDICO strives to be a premium service provider in the financial market.

The Group focuses on operating 24/7 integrated pre and post printing services with customers mainly from financial and capital markets. We offer a wide range of comprehensive printing services, namely typesetting, proofreading, translation, design, printing and binding, distribution and media placement. The printed documents we produce cover a vast array of corporate financial-related printed materials, including:

- (i) Listing-related Documents;
- (ii) Periodical Reporting Documents;
- (iii) Compliance Documents; and
- (iv) Miscellaneous and Marketing Collaterals.

Set out below is the revenue attributable to each category of documents and their percentage to the total revenue we handled during the year ended 30 September 2021 (“Year 2021”) and year ended 30 September 2020 (“Year 2020”):

	2021		2020	
	HK\$'000	%	HK\$'000 (Restated)	% (Restated)
Listing-related documents	14,207	24.7	41,468	50.6
Periodical reporting documents	25,352	44.1	25,097	30.6
Compliance documents	14,562	25.3	13,602	16.6
Miscellaneous and marketing collaterals	3,411	5.9	1,804	2.2
	<b>57,532</b>	<b>100</b>	81,971	100

For the Year 2020 and Year 2021, revenue attributable to the top five customers amounted to approximately 31.1% (restated) and 23.1% of our total revenue respectively. The Group did not over-rely on any major customer. All of the top five customers during the reporting years were independent third parties.

The Group’s suppliers are the subcontractors. During the Year 2020 and Year 2021, the Group subcontracted some of the translation works to independent translation companies and printing and binding works to independent printing factories and incurred approximately HK\$23.2 million and HK\$16.5 million of translation and printing subcontracting costs respectively, representing approximately 61.6% and 59.0% of our total cost of services respectively.



# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

The following table extracts certain major items of the consolidated financial information of the Group during the Year 2021:

	2021 HK\$'000	2020 HK\$'000 (Restated)
Revenue	<b>57,532</b>	81,971
Cost of services	<b>(27,944)</b>	(37,634)
Gross profit	<b>29,588</b>	44,337
Gross profit margin	<b>51.4%</b>	54.1%
(Loss)/profit before tax	<b>(1,809)</b>	11,262
(Loss)/profit for the year	<b>(1,729)</b>	11,262
Net (loss)/profit margin	<b>(3.0%)</b>	13.7%



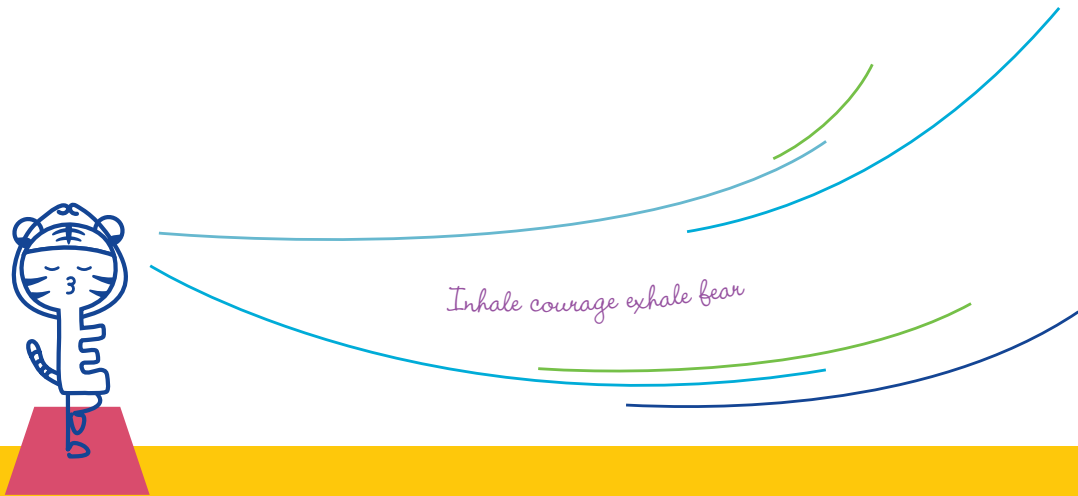
## REVENUE

For the Year 2020 and Year 2021, the Group's revenue was approximately HK\$82.0 million (restated) and HK\$57.5 million respectively. The decrease was mainly attributable to the delays and cancellations of certain projects during the Year 2021.

## COST OF SERVICES

The Group's cost of services mainly represents (i) the subcontractor costs which comprise translation costs and printing costs; (ii) direct labour costs; (iii) in-house translation costs; (iv) design costs; (v) advertising costs; and (vi) other costs such as photocopiers' rental, stock photo purchasing and customers' catering costs. For the Year 2020 and Year 2021, cost of services amounted to approximately HK\$37.6 million and HK\$27.9 million respectively. The decrease in cost of services was generally in line with the decrease of the Group's revenue during the Year 2021.

# MANAGEMENT DISCUSSION AND ANALYSIS



## GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's gross profit decreased by approximately HK\$14.7 million, or 33.2%, from approximately HK\$44.3 million (restated) for the Year 2020 to approximately HK\$29.6 million for the Year 2021. Gross profit margins for the Year 2020 and Year 2021 were approximately 54.1% (restated) and 51.4%, respectively. The decrease was in line with the decrease of the Group's revenue during the period under review.

## SELLING EXPENSES

The Group's selling expenses increased by approximately HK\$0.9 million, or 33.3%, from approximately HK\$2.7 million for the Year 2020 to approximately HK\$3.6 million for the Year 2021. The increase was mainly due to the increase in marketing expenses and staff costs.

## ADMINISTRATIVE EXPENSES

The Group's administrative expenses decreased by approximately HK\$2.7 million, or 8.4%, from approximately HK\$32.0 million (restated) for the Year 2020 to approximately HK\$29.3 million for the Year 2021. The decrease was mainly due to the net effect of the decrease in impairment losses on trade receivables and contract assets, the decrease in professional fees and the decrease of staff costs.





# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCE COSTS

The Group's finance costs represented interest on lease liabilities under Hong Kong Financial Reporting Standard 16.

## INCOME TAX CREDIT/EXPENSE

There was no income tax expense for the Group for the Year 2020 and Year 2021 as the Company and its operating subsidiaries either had no assessable profits or had available tax losses brought forward from prior years (2020: HK\$Nil). The income tax credit in the Year 2021 represented over-provision for income tax in previous period.

## (LOSS)/PROFIT FOR THE YEAR AND NET (LOSS)/PROFIT MARGIN

The Group recorded a net loss after tax of approximately HK\$1.7 million for the Year 2021 as compared with a net profit of approximately HK\$11.3 million (restated) for Year 2020. The change was primarily due to the decrease of the Group's revenue during the Year 2021.

The net profit/(loss) margins were 13.7% (restated) for the Year 2020 and (3.0)% for the Year 2021 respectively.

## INTEREST COVERAGE RATIO

Interest coverage ratio was not applicable to the Group as the Group did not have any borrowings and therefore, had not incurred any interest expenses from borrowings during the respective years.

## RETURN ON TOTAL ASSETS

The return on total assets was approximately 10.6% (restated) for the Year 2020 and it turned to a negative percentage of approximately 1.9% for the Year 2021.

## RETURN ON EQUITY

The return on equity was approximately 16.2% (restated) for the Year 2020 and it turned to a negative percentage of approximately 2.5% for the Year 2021.

## DIVIDEND

The board of directors of the Company (the "Directors" and the "Board", respectively) has resolved not to recommend the payment of a final dividend in respect of the Year 2021 (2020: Nil).



# MANAGEMENT DISCUSSION AND ANALYSIS

## KEY PERFORMANCE INDICATORS (“KPIs”) WITH THE STRATEGIES OF THE GROUP

The Group sets a number of KPIs to support the delivery of its strategies with its performance as below:

Objective	KPIs	Strategies
Maximise value for the shareholders	Gross profit margin <sup>(1)</sup> = 51.4% (2020: 54.1% (restated))  Return on total assets <sup>(2)</sup> = (1.9%) (2020: 10.6% (restated))  Return on equity <sup>(3)</sup> = (2.5%) (2020: 16.2% (restated))	The Group has implemented effective cost control measures, pricing arrangement and capital expenditure.
Maintain the Group’s liquidity and monitor capital structure	Cash and cash equivalents = approximately HK\$65.9 million (2020: approximately HK\$69.7 million)  Current ratio <sup>(4)</sup> = 3.8 times (2020: 2.8 times (restated))  Gearing ratio <sup>(5)</sup> = N/A (2020: N/A)  Net debt to equity ratio <sup>(6)</sup> = Net cash position (2020: Net cash position)	The Group adopts a prudent financial management policy to regularly monitor its liquidity requirements and compliance with facilities arrangement so as to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet the liquidity requirements of the Group in the short and long term.

### Notes:

1. Gross profit margin is calculated by dividing the gross profit for the year by revenue and then multiplied by 100%.
2. Return on total assets is calculated by dividing the net profit/(loss) for the year by the total assets as at the respective year end and then multiplied by 100%.
3. Return on equity is calculated by dividing the net profit/(loss) for the year by the total equity as at the respective year end and then multiplied by 100%.
4. Current ratio is calculated by dividing the total current assets by the total current liabilities as at the respective year end.
5. Gearing ratio is calculated by dividing the total borrowings by the total equity as at the respective year end and then multiplied by 100%.
6. Net debt to equity ratio is calculated by dividing the net debt (all borrowings net of cash and cash equivalents) by the total equity as at the respective year end and then multiplied by 100%.



# MANAGEMENT DISCUSSION AND ANALYSIS

## FOREIGN CURRENCY EXPOSURE

The Group's businesses are located in Hong Kong and most transactions are conducted in Hong Kong dollars ("HK\$"). Most of the Group's assets and liabilities are denominated in HK\$, except for certain trade receivables which were denominated in United States dollars ("USD") and cash on hand and bank deposits which were denominated in USD, Renminbi and Sterling Pound.

The Directors are of the view that the Group's operating cash flow and liquidity are not subject to significant foreign exchange rate risks and therefore, no hedging arrangements were made during the Year 2021. However, the Group will review and monitor the relevant foreign exchange risk from time to time based on its business development requirements and may enter into foreign exchange hedging arrangements when applicable.

## PRINCIPAL RISKS AND UNCERTAINTIES

Our Group generally do not enter into long-term agreements with our customers and may not be able to retain existing customers or secure new customers. We engage our subcontractors on a project-by-project basis for some of our translation works and printing works to our subcontractors and their failure to meet our requirements may affect the quality of our services. However, 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.

## LIQUIDITY, FINANCIAL RESOURCES, BORROWING AND GEARING RATIO

The Group's primary use of cash is to satisfy the working capital and capital expenditure needs. Historically, the Group's use of cash has mainly been financed through a combination of cash received from the provision of services and financial support from the shareholders.

As at 30th September 2021, the Group had cash and cash equivalents of approximately HK\$65.9 million (2020: HK\$69.7 million) and did not have any bank borrowings. Going forward, the Group believes that the liquidity requirements will be satisfied using a combination of cash generated from operating activities and net proceeds from the listing of the shares of the Company (the "Shares") in issue on GEM of the Stock Exchange (the "Listing"). Our Directors believe that in the long term, the Group's operation will be funded by internally generated cash flows and, if necessary, additional equity and/or debt financing.

As at 30th September 2021, the Group's current assets amounted to approximately HK\$84.4 million (2020: HK\$86.3 million (restated)) and current liabilities amounted to approximately HK\$22.4 million (2020: HK\$31.2 million (restated)). Current ratio was 3.8 times as at 30th September 2021 (2020: 2.8 times (restated)).

The gearing ratio was not applicable to the Group as at 30th September 2020 and 2021 as the Group did not have any outstanding debt.





# MANAGEMENT DISCUSSION AND ANALYSIS

## CAPITAL STRUCTURE

There was no change in the Company's capital structure during the Year 2021. Considering the current financial position of the Group and provided that there is no unforeseeable adverse circumstance, the management does not anticipate the need to change the capital structure. The Board believes that the Group is in a healthy financial position and has sufficient resources to support its operations and meet its foreseeable capital expenditures.

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

The Group had no acquisitions and disposals of subsidiaries, associates or joint ventures for the Year 2021.

## SEGMENTAL INFORMATION

Segmental information has been set out in note 7 to the consolidated financial statements of this annual report.

## NUMBER AND REMUNERATION OF EMPLOYEES, REMUNERATION POLICIES, BONUS AND SHARE OPTION SCHEMES AS WELL AS TRAINING SCHEMES

As at 30th September 2021, the Group had 66 (2020: 60) employees. The total remuneration (including salaries and allowances, discretionary bonuses and contributions to pension schemes) paid by the Group to the Directors for the Year was approximately HK\$2.3 million (2020: HK\$1.9 million).

The staff costs of the Group (including salaries, allowances and benefits, and contributions to defined contribution retirement plans) for the Year amounted to approximately HK\$21.3 million (2020: HK\$20.4 million).

The Group's principal policies concerning remuneration of the Directors and senior management are determined based on the duties, responsibilities, experience, skills and time commitment of the relevant Director or member of senior management, as well as the performance of the Group.

The Group determines the employees' remuneration based on factors such as market competitive salaries and their previous work experience. One of the key principles of the remuneration policy is to remunerate employees in a manner that is market competitive. The Group also regularly evaluates the employees to assess their performance.

The Company has adopted a share option scheme to reward the eligible participants for their contribution to the Group. The Group also provides continuous trainings to the employees to improve their skills and develop their potential. It provides mandatory trainings to the new staff based on the tasks they perform in the course of its business. The Group also provides departmental and office-wide trainings to the staff in relation to business and the financial printing industry, such as site visits to printing factories and seminars about paper characteristics and printing.

## CHARGES ON THE GROUP'S ASSETS

As at 30th September 2021 and 2020, the Group did not have any loans and banking facility and therefore, no asset had been pledged to any parties.



# MANAGEMENT DISCUSSION AND ANALYSIS

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS AND THE EXPECTED SOURCES OF FUNDING

The Group did not have any significant investments or any other plans for material investments or capital assets as at 30th September 2021.

## CONTINGENT LIABILITIES

As at 30th September 2021 and 2020, the Group had no significant contingent liabilities.

## USE OF NET PROCEEDS FROM THE LISTING

On 2nd February 2018 (the “**Listing Date**”), the Shares were listed on GEM of the Stock Exchange. A total of 250,000,000 Shares with nominal value of HK\$0.01 each were issued at HK\$0.22 per Share in relation to its Share Offer (as defined in the prospectus of the Company dated 23rd January 2018 (the “**Prospectus**”). The net proceeds received from the Listing, after deducting the underwriting commission and all related Listing expenses (the “**Net Proceeds**”) were amounted to approximately HK\$28.7 million. The Company has utilised, and will continue to utilise, the Net Proceeds for the purposes consistent with those stated in the section headed “Future Plans and Use of Proceeds” as set out in the Prospectus.

The table below sets out the planned applications of the Net Proceeds and the actual usage during the Year 2021:

Intended application of the Net Proceeds	Total expenditure of the planned applications (Note 1) (HK\$ million)	Planned use of the Net Proceeds (Note 2) (HK\$ million)	Actual usage from the Listing Date and up to 30th September 2020 (HK\$ million)	Actual usage for the Year (HK\$ million)	Unutilised Net Proceeds as at 30th September 2021 (HK\$ million)	Expected timeline to fully utilise the unutilised Net Proceeds
Upgrading the Central Office (Note 3) and setting up a new office	18.6	13.9	3.9	1.0	9.0	30th September 2022
Expanding the workforce	10.0	7.5	6	1.5	—	30th September 2021
Upgrading and acquiring equipment and software	6.0	4.5	1.3	1.0	2.2	30th September 2022

Notes:

- (1) Refers to the future plans as stated in the Prospectus.
- (2) Refers to the planned use of the 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 annual 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.



# MANAGEMENT DISCUSSION AND ANALYSIS

## 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 for the Year.

### Business objectives as set out in the Prospectus

### Actual progress for the Year

— Upgrading the Central Office and setting up a new office <sup>(Note)</sup>	The renovation work of the Central Office had been completed by the end of December 2018 and a new office was relocated to a more spacious office located in New Kowloon Plaza, Hong Kong by the end of August 2020.
— Expanding the workforce <sup>(Note)</sup>	The Group has recruited additional staff to join the sales, services and operations departments.
— Upgrading and acquiring equipment and software <sup>(Note)</sup>	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 the lease expiration 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 found that rental had soared significantly during the intervening period. During the year ended 30th September 2018, the Group, therefore, resorted to extend the lease contract of the Kowloon Office for another year. The lease contract was further extended till August 2020. The Company announced on 7th August 2020 in relation to the selection of location of new office. In view of the social unrest in Hong Kong since mid-2019 and the outbreak of the COVID-19 worldwide, the economy and the market situation of Hong Kong have been severely hit. It is expected to have a continuous adverse impact on the economic outlook which remains uncertain. After careful considerations, the Group decided to keep two workstations in two separate districts to avoid intermittent disruption of our services for enhancement of risk management and contingency purpose. Besides, the office rents in Kowloon area are generally lower than that in Central and Western District, the Company finally decided to relocate the Kowloon Office to a more spacious office located in New Kowloon Plaza, having additional conference room facilities to our existing and potential customers. Having considered the increasing by competitive business environment and the uncertainties of the economic outlook, the Group did not fully utilise the Net Proceeds according to the planned time frame disclosed in the Prospectus and the Company’s annual report 2018/2019. We planned to delay the utilisation of the Net Proceeds from 31st March 2020 to 31st March 2021 and further from 31st March 2021 to 30th September 2022.

# DIRECTORS AND SENIOR MANAGEMENT PROFILES

## DIRECTORS



### Mr. Chan Tsang Tieh (陳增鈺) • Executive Director and Chairman

**Mr. Chan**, aged 71, is the chairman of the board of directors of the Company (the “**Directors**”, the “**Board**” and the “**Chairman**”, respectively) and an executive Director, responsible for providing strategic advice to our Company and its subsidiaries (the “**Group**”). Mr. Chan was appointed as a Director on 20th May 2016 and was re-designated as an executive Director and appointed as the Chairman on 22nd June 2017. Mr. Chan is also a member of the nomination committee of the Board (the “**Nomination Committee**”) and the sole director of all the subsidiaries of the Company. He established our Group in October 2009 and is the controlling shareholder of our Company through his beneficially 100%-owned Achiever Choice Limited, of which he is the sole director. During the period from 2004 to 2006, Mr. Chan had investment in the business of digital control and automation system in Fujian, the People’s Republic of China (the “**PRC**”). During the period from 1986 to 2004, Mr. Chan set up and operated the business of various industries in Hong Kong, including the distribution of household goods, production of belts and shoulder pads. He engaged in these businesses both in a management role and as an investor. From 1973 to 1986, Mr. Chan was a factory worker in different industries in Hong Kong, including bicycle manufacturing and garment production. Mr. Chan received his secondary education in the PRC during 1965 to 1968.



### Mrs. Donati Chan Yi Mei Amy (陳綺媚) • Executive Director and Chief Executive Officer

**Mrs. Donati**, aged 47, is the Chief Executive Officer, an executive Director and the compliance officer of our Company and is responsible for overseeing the daily operations, general management and strategic planning of our Group, and ensuring the Group’s compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and other relevant laws and regulations. Mrs. Donati is also a member of the remuneration committee of the Board. She was appointed as an executive Director on 22nd June 2017 and as the Chief Executive Officer on 30th June 2017. She joined our Group on 1st August 2010 and has held the position of managing director prior to her appointment as the Chief Executive Officer. Mrs. Donati is also the chief executive officer of EDICO Financial Press Services Limited (“**EDICO**”), an indirect wholly-owned subsidiary of the Company. Mrs. Donati has over 2 decades of experience in the financial printing industry. Prior to joining our Group, she was a general manager and sales director of iOne (Regional) Financial Press Limited from November 2005 to December 2009, responsible for the sales and marketing activities and general management of the company. From June 2001 to October 2005, Mrs. Donati worked at Donnelley Financial Solutions Hong Kong Limited (formerly known as Roman Financial Press Limited), and her last position held was an associate sales director primarily responsible for overseeing the sales and marketing activities of the company. She was also the sales trainee of RR Donnelley Financial Asia Limited from April 2000 to May 2001, responsible for project management. Mrs. Donati graduated from the University of Keele in England with a Bachelor of Laws (LLB) and a Bachelor of Business Administration in July 1996.

# DIRECTORS AND SENIOR MANAGEMENT PROFILES



## Mr. Li Wai Ming (李威明) • Independent Non-executive Director

**Mr. Li**, aged 51, was appointed as an independent non-executive Director (the “**INED**”) on 15th November 2017. He is primarily responsible for supervising and providing independent judgment to the Board. Mr. Li is also the chairperson of each of our Board’s audit committee (the “**Audit Committee**”) and risk management committee (the “**Risk Management Committee**”).

Mr. Li has about 20 years of experience in the finance industry. From March 1997 to March 1999, Mr. Li worked in leading accounting firms. He held the position of senior finance manager in a company listed on the Stock Exchange before his retirement. Mr. Li also served as an independent non-executive director of China International Development Corporation Limited, a company listed on the Stock Exchange (stock code: 264) from September 2015 to December 2015.

Mr. Li is a member of the Hong Kong Institute of Certified Public Accountants, a fellow of the Association of Chartered Certified Accountants in the United Kingdom (the “**UK**”), an associate member of The Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators) in the UK, a member of The Hong Kong Institute of Chartered Secretaries. Mr. Li obtained his master of professional accounting degree in November 2004 from the Hong Kong Polytechnic University.



## Mr. Wan Chun Wai Andrew (尹振偉) • Independent Non-executive Director

**Mr. Wan**, aged 66, was appointed as an INED on 15th November 2017. He is primarily responsible for supervising and providing independent judgment to the Board. Mr. Wan is also the chairperson of our Board’s remuneration committee (the “**Remuneration Committee**”) and a member of each of our Audit Committee, Nomination Committee and Risk Management Committee.

Mr. Wan has over 20 years of experience in business administration and finance. Mr. Wan is now a School Manager of a kindergarten.

Mr. Wan is a fellow member of the Association of Chartered Certified Accountants in the UK and a member of each of Certified General Accountants of Ontario, Canada, Chartered Professional Accountants, Canada and the Hong Kong Institute of Certified Public Accountants. Mr. Wan obtained his master of business administration degree from the University of South Australia in October 2009.



## DIRECTORS AND SENIOR MANAGEMENT PROFILES



### **Ms. Chan Chiu Yee Natalie (曾昭怡)** • *Independent Non-executive Director*

**Ms. Chan**, aged 35, was appointed as an INED on 15th November 2017. She is primarily responsible for supervising and providing independent judgment to the Board. Ms. Chan is also the chairperson of our Nomination Committee and a member of each of our Audit Committee, Remuneration Committee and Risk Management Committee.

Ms. Chan has over 10 years of experience in the legal industry and is now working as a legal consultant, primarily responsible for providing legal advice.

Ms. Chan was admitted a solicitor in Hong Kong in November 2013. Ms. Chan obtained her bachelor of science in corporate finance and accounting degree from Bentley University in the United States in May 2008 as well as her juris doctor degree in December 2010 and her postgraduate certificate in laws in July 2011, both from the Chinese University of Hong Kong.

## COMPANY SECRETARY



### **Ms. Cheng Kwai Yee (鄭桂儀)** • *Chief Financial Officer and Company Secretary*

**Ms. Cheng**, aged 45, is the company secretary and the Chief Financial Officer of our Company. Ms. Cheng joined the Group in April 2010 and is responsible for overseeing the Group's daily accounting operation and financial management. Ms. Cheng has over 20 years of experience in the accounting industry. Prior to joining the Group, Ms. Cheng was the accounting and human resources manager of EVI Services Limited, an educational software service company, from March 2008 to March 2010 mainly responsible for handling accounting matters. Between January 2004 and March 2008, Ms. Cheng served as an account officer in Thing On Securities Limited, and was mainly responsible for handling accounting matters. Between July 2001 and November 2003, Ms. Cheng worked as an audit semi-senior at Andrew Ma DFK (CPA) Ltd. From March 2000 to July 2001, Ms. Cheng worked as an audit junior and audit assistant in Gregory K.S. Tsang & Co. From December 1998 to March 2000, Ms. Cheng was an accounting clerk at China Shipping (Hong Kong) Agency Co., Ltd.

Ms. Cheng was admitted as a member of the Association of Chartered Certified Accountants in the UK in 2003 and was advanced to fellowship status in 2008. She was also admitted as a member of the Hong Kong Institute of Certified Public Accountants in July 2017. She obtained a Bachelor of Business Administration degree from the Hong Kong Baptist University in December 1998.

# DIRECTORS AND SENIOR MANAGEMENT PROFILES



## SENIOR MANAGEMENT

Members of our Group's senior management team, in addition to the Directors listed above, are as follows:



### **Ms. Cheng Kwai Yee (鄭桂儀)** • *Chief Financial Officer and Company Secretary*

**Ms. Cheng Kwai Yee (鄭桂儀)** is the company secretary and the Chief Financial Officer of our Company.

For the biography of Ms. Cheng, please see the subsection headed "Senior Management" above.



### **Ms. Lok Yuen Yu Izabel (駱婉如)** • *Chief Operations Officer*

**Ms. Lok**, aged 49, joined our Group in January 2010, and is the Chief Operations Officer of our Group. She is responsible for managing the operations in providing our services to clients. Ms. Lok has over 18 years of experience in the financial printing industry. Ms. Lok was an account servicing director of iOne (Regional) Financial Press Limited from November 2005 to December 2009, mainly responsible for customer services. She served as a customer service executive in Donnelley Financial Solutions Hong Kong Limited (formerly known as Roman Financial Press Limited) from July 2001 to October 2005, and was mainly responsible for customer service. Ms. Lok graduated from the University of Lethbridge, Canada with a degree of Bachelor of Arts in May 1997.



### **Ms. Lee Shuk Yee (李淑儀)** • *Sales Director*

**Ms. Lee**, aged 55, joined our Group in August 2012 and is a Sales Director of EDICO primarily responsible for managing client relationship and expanding our Group's network for potential business. Ms. Lee worked as a senior account manager in Speedy Design Communications Limited, a company engaging in brand management and event management business, from May 2011 to August 2012, and was primarily responsible for customer account management. She served as an account director in The Design Associates Limited between September 2002 and April 2011, and was primarily responsible for managing customer relationship.

Ms. Lee graduated from the Hong Kong Shue Yan College (currently known as the Hong Kong Shue Yan University) with a diploma from the Department of Journalism in July 1990. In addition, Ms. Lee obtained a McDonald's International Communications diploma from McDonald's Communications University in February 1997. She also obtained a bachelor of management studies from the University of Hong Kong in December 2004. Ms. Lee has completed the Six Sigma Green Belt Certificate Programme provided by AC&A Consultancy & Training Co. Ltd. in March 2011.



# DIRECTORS' REPORT

The directors of the Company (the “**Directors**”) are pleased to present their report together with the audited consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the year ended 30th September 2021 (the “**Year**”).

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in the provision of financial printing services in Hong Kong. The principal activities of the Company’s subsidiaries are set out in note 28 to the Consolidated Financial Statements of this annual report.

## BUSINESS REVIEW

Further discussion and analysis of the performance of the Group, including a fair review of the business of the Group, an analysis using financial key performance indicators, a discussion of the principal risks and uncertainties faced by the Group and an indication of likely future developments in the Group’s business, can be found in the sections headed “Chairman’s Statement”, “CEO’s Message” and “Management Discussion and Analysis” of this annual report. The financial risk management objectives and policies of the Group are set out in note 33 to the Consolidated Financial Statements of this annual report. Those discussions form part of this report.

## ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to maintaining the long-term sustainability of the environment and devoted to building an environmentally friendly corporation. The Group implements policies and practices to achieve resources conservation, energy saving and waste reduction so as to minimise its impact on the environment. Due to the nature of its business, the Group does not produce, emit or discharge any pollutant during the course of the business. Accordingly, the Group is not subject to any specific rules or regulations in relation to the environmental protection matters.

## COMPLIANCE WITH LAWS AND REGULATIONS

The Group and its activities are subject to requirements under various laws in Hong Kong. The Group has put in place in-house rules containing measures and work procedures to ensure that the Group’s operation is in compliance with the applicable laws and regulations that have a significant impact on the Group.

The Group maintains employees’ compensation insurance for all of the employees as required under the Employees’ Compensation Ordinance and other applicable laws and regulations in Hong Kong. The Group also participates in the mandatory provident fund scheme registered under the Mandatory Provident Fund Schemes Ordinance for the employees in Hong Kong. The Directors consider that the employees’ compensation insurance coverage is sufficient and in line with the normal commercial practice in Hong Kong.

The Group follows the health and safety-related rules and regulations in accordance with the Occupational Safety and Health Ordinance of Hong Kong and sets the requirements for workplace environmental control and hygiene at workplaces pursuant to the above ordinance.





# DIRECTORS' REPORT

## RELATIONSHIP WITH STAKEHOLDERS

The Group recognises that employees, customers and business partners are key to its sustainable development. The Group is committed to establishing a close and caring relationship with its customers and enhancing co-operation with its business partners.

The Group maintains a very stable and experienced management team and places great emphasis on training its employees by providing orientation training for new employees and on-the-job training and organising team building events.

The Group also organises various social activities occasionally to create a harmonious working environment for the employees.

During the Year, the Group maintained good relationship with its customers and generally maintained a high retention rate with the existing customers to keep abreast of market development and potential business opportunities.

The Group has maintained stable and long-established business relationships with its major suppliers. It does not foresee any difficulty in procurement nor has it experienced any production disruption.

## IMPORTANT EVENT AFTER THE REPORTING PERIOD

The board of Directors (the “**Board**”) is not aware of any important event affecting the Group that has taken place subsequent to 30th September 2021 and up to the date of this report.

## USE OF NET PROCEEDS FROM LISTING

The shares of the Company (the “**Shares**”) in issue were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**” and the “**Listing**”, respectively) on 2nd February 2018 (the “**Listing Date**”). The net proceeds from the Listing amounted to approximately HK\$28.7 million. Details of the use of such proceeds are set out in the section headed “Management Discussion and Analysis” of this annual report.

## RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 59 of this annual report.

## FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for each of the last five financial years is set out on page 104 of this annual report.

## DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the Year.

## ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company is scheduled to be held on 15th March 2022 (the “**2022 AGM**”). For the purpose of determining those shareholders of the Company (the “**Shareholders**”) who are entitled to attend and vote at the 2022 AGM, the register of members of the Company will be closed from 10th March 2022 to 15th March 2022 (both days inclusive), during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the 2022 AGM, the non-registered Shareholders must lodge all completed share transfer instruments accompanied by the relevant share certificates with the Company’s branch share registrar in Hong Kong, Union Registrars Limited, Suites 3301–04, 33/F, Two Chinachem Exchange Square 338 King’s Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on 9th March 2022.

## PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the Year are set out in note 16 to the Consolidated Financial Statements of this annual report.

## SHARE CAPITAL

Details of the movements in the share capital of the Company during the Year are set out in note 25 to the Consolidated Financial Statements of this annual report.

## RESERVES

Details of the movements in the reserves of the Group and the Company during the Year are set out in page 61 and page 102 of this annual report, respectively.

## DISTRIBUTABLE RESERVES

As at 30th September 2021, the Company’s reserves available for distribution, calculated in accordance with the provisions of Companies Law of the Cayman Islands, amounted to approximately HK\$36.8 million.



# DIRECTORS' REPORT

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles of association of the Company (the “**Articles of Association**”) or the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

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

During the Year, the Company did not redeem any of its listed securities, nor did the Company and any of its subsidiaries purchase or sell such securities.

## DIRECTORS

The Directors during the Year and up to the date of this report were:

### EXECUTIVE DIRECTORS

Mr. Chan Tsang Tieh (*Chairman*)

Mrs. Donati Chan Yi Mei Amy (*Chief Executive Officer*)

### INDEPENDENT NON-EXECUTIVE DIRECTORS (THE “INEDS”)

Mr. Li Wai Ming

Mr. Wan Chun Wai Andrew

Ms. Chan Chiu Yee Natalie

In accordance with article 84(1) of the Articles of Association, Mr. Chan Tsang Tieh and Ms. Chan Chiu Yee Natalie shall retire at the 2022 AGM and, being eligible, offered themselves for re-election.

The Company has received annual confirmation in writing from each of the INEDs in regard to their independence to the Company pursuant to Rule 5.09 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”). The Company considers that each of the INEDs is independent to the Company.

The biographical details of the Directors and the senior management of the Group are set out in the section headed “Directors and Senior Management Profiles” of this annual report.

Information regarding Directors' emoluments and the five highest paid individuals in the Group are set out in notes 11 and 12 to the Consolidated Financial Statements of this annual report, respectively.

## DIRECTORS' SERVICE CONTRACTS

Mr. Chan Tsang Tieh, an executive Director and the chairman of the Board (the “**Chairman**”) has entered into a service contract and Mrs. Donati Chan Yi Mei Amy, an executive Director and the chief executive officer of the Company, has entered into a letter of appointment with the Company on 16th January 2018 for an initial term of three years commencing on the Listing Date and were automatically renewed upon their expiry on 16th January 2021 for another three years, unless terminated by not less than three months’ notice in writing served by either party on the other.

Each of the INEDs has entered into a letter of appointment with the Company for a term of three years unless terminated by at least three months’ notice in writing served by either party on the other.

None of the Directors proposed for re-election at the 2022 AGM has an unexpired service contract or letter of appointment with the Company, which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

## EQUITY-LINKED AGREEMENTS

No equity-linked agreements that (i) will or may result in the Company issuing Shares or (ii) require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Group during the Year or existed as at 30th September 2021.

## ARRANGEMENTS FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Year or as at 30th September 2021 was the Company, or its holding company or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

# DIRECTORS' REPORT



## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30th September 2021, the interests and short positions of the Directors and chief executive 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 Tsang Tieh ("Mr. Chan") (Note)	Interest in a controlled corporation	Corporate interest	750,000,000	75%

Note: The Company is owned as to 75% by Achiever Choice Limited ("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.

### 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	Personal interest	1	100%

Save as disclosed above and so far as is known to the Directors, as at 30th September 2021, none of the Directors nor the chief executive 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 had been (a) 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, entered in the register referred to therein; or (c) 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.

## INTERESTS OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

As at 30th September 2021, 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	Personal interest	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 30th September 2021, 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 had been 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 (the “Share Option Scheme”) was approved and conditionally adopted by the then sole shareholder of the Company by way of written resolutions on 16th January 2018. The Share Option Scheme became effective on the Listing Date.

As no options have been granted by the Company under the Share Option Scheme since its adoption, there was no option outstanding as at 30th September 2021 and no options were exercised or cancelled or lapsed during the Year.

The principal terms of the Share Option Scheme are set out as follows:

### (1) PURPOSE

The purpose of the Share Option Scheme is to enable the Company to grant options to eligible participants (as stated below) as incentive or reward for their contribution to the Group to subscribe for the Shares, thereby linking their interest with that of the Group.



# DIRECTORS' REPORT

## (2) ELIGIBLE PARTICIPANTS

The eligible participants include employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner of the Company or any subsidiary (including any director of the Company or any subsidiary) who is in full-time or part-time employment with or otherwise engaged by the Company or any subsidiary at the time when an option is granted to such employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner or any person who, in the absolute discretion of the Board, has contributed or may contribute to the Group.

## (3) MAXIMUM NUMBER OF SHARES AVAILABLE FOR ISSUE

The maximum number of Shares in respect of which options may be granted at any time under the Share Option Scheme shall not exceed 100,000,000 Shares.

## (4) MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

Unless approved by the Shareholders in general meeting and subject to the following paragraph, the total number of Shares issued and to be issued upon exercise of the options granted to each grantee (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue.

Where any grant of options to a substantial Shareholder or an INED, or any of his/her/its associates (as defined in the GEM Listing Rules), would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares on the Stock Exchange at the date of each grant, in excess of HK\$5 million,

such further grant of options must be approved by the Shareholders.

## (5) PERIOD WITHIN WHICH THE SHARES MUST BE TAKEN UP UNDER AN OPTION

An option may be exercised at any time during the period to be determined and identified by the Board to each grantee at the time of making an offer for the grant of an option, but in any event no later than 10 years from the date of grant but subject to the early termination of the Share Option Scheme.

## (6) MINIMUM PERIOD FOR WHICH AN OPTION MUST BE HELD BEFORE IT CAN BE EXERCISED

Though there is no specified minimum period under the Share Option Scheme for which an option must be held or the performance target which must be achieved before an option can be exercised under the terms and conditions of the Share Option Scheme, the Directors may make such grant of options, subject to such terms and conditions in relation to the minimum period of such options to be held and/or the performance targets to be achieved as the Directors may determine in their absolute discretion.



## DIRECTORS' REPORT

### (7) PERIOD FOR AND CONSIDERATION PAYABLE ON ACCEPTANCE OF AN OPTION

An offer shall be deemed to have been accepted by an eligible participant concerned in respect of all Shares which are offered to such eligible participant when the duplicate letter comprising acceptance of the offer duly signed by the eligible participant, together with a non-refundable remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the offer (which shall not be later than 21 days from, and inclusive of, the date of offer).

### (8) BASIS OF DETERMINING THE EXERCISE PRICE

The subscription price for Shares under the Share Option Scheme shall be determined at the discretion of the Directors but in any event will not be less than the highest of: (a) the closing price of the Shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the offer date of the particular option, which must be a business day; (b) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the offer date of that particular option; and (c) the nominal value of a Share on the offer date of the particular option.

### (9) REMAINING LIFE

The Share Option Scheme shall be valid and effective commencing on the adoption date of the Share Option Scheme until the termination date as provided therein (which being the close of business of the Company on the date which falls ten years from the date of the adoption of the Share Option Scheme), after which period no further options will be granted but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

## CONNECTED AND RELATED PARTY TRANSACTIONS

During the Year, there was no connected transaction or continuing connected transaction of the Company under Chapter 20 of the GEM Listing Rules, which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements.

## 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 (a) any business or interest in a business that competed or might compete with the business of the Group and (b) any other conflicts of interest with the Group for the Year.





# DIRECTORS' REPORT

## MAJOR CUSTOMERS AND SUPPLIERS

The Group's top five customers are mainly from listing applicants and listed companies in Hong Kong. The Group's top five customers collectively accounted for approximately 23.1% of the total revenue of the Group for the Year (2020: approximately 31.1% (restated)) and the Group's largest customer accounted for approximately 6.6% of the total revenue of the Group for the Year (2020: approximately 10.1% (restated)).

The Group's top five suppliers are the Group's subcontractors which provide translation as well as printing and binding works to the Group. The Group's top five suppliers collectively accounted for approximately 33.5% of the total cost of services of the Group for the Year (2020: approximately 39.6%) and the Group's largest supplier accounted for approximately 8.7% of the total cost of services of the Group for the Year (2020: approximately 14.9%).

None of the Directors, their close associates (as defined in the GEM Listing Rules) or any Shareholders (which to the knowledge of the Directors own more than 5% of the number of the issued Shares) had any interest in the top five customers nor suppliers of the Group during the Year.

## CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

There was no contract of significance (whether for the provision of services to the Group or not) between the Company or any of its subsidiaries and a controlling shareholder (as defined in the GEM Listing Rules) of the Company or any of its subsidiaries subsisted as at 30th September 2021 or at any time during the Year.

## DEED OF NON-COMPETITION

The Company has received an annual written confirmation from each of the controlling shareholders (as defined in the GEM Listing Rules) of the Company, namely Mr. Chan and Achiever Choice in respect of him/it and his/its close associates (as defined in the GEM Listing Rules) in compliance with the undertakings given under the deed of non-competition dated 16th January 2018 and signed by Mr. Chan and Achiever Choice in favour of the Company (the "**Deed of Non-competition**"). Details of the Deed of Non-competition are set out in the section headed "Deed of Non-competition" of "Relationship with Our Controlling Shareholders" in the prospectus of the Company dated 23rd January 2018. The audit committee of the Board (the "**Audit Committee**") comprising all the INEDs had reviewed the confirmations and did not notice any incident of non-compliance with the Deed of Non-competition.

## DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance in relation to the Group's business, to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries was a party and in which a Director or a connected entity of a Director had a material interest, whether directly or indirectly, subsisted as at 30th September 2021 or at any time during the Year.

## CHANGE IN DIRECTORS' INFORMATION

The Company is not aware of any change in the Directors' information, which is required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

## TAX RELIEF

The Company is not aware of any relief on taxation available to the Shareholders by reason of their holdings of the Shares. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in or exercising any rights in relation to the Shares, they are advised to consult their professional advisers.

## PERMITTED INDEMNITY

The Articles of Association provide that the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices. Such provisions were in force during the course of the Year and remained in force as of the date of this report.

## MANAGEMENT CONTRACTS

No contracts, other than employment contracts of the Directors and senior management members, concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed for the Year.

## DIRECTORS' REMUNERATIONS

The Directors' remuneration is determined by the Board upon the recommendation of its remuneration committee by reference to the Director's duties, responsibilities and performance and the results of the Group. Details of the remuneration of Directors are set out in note 11 to the Consolidated Financial Statements of this annual report.

## EMOLUMENT POLICY

The remuneration committee is set up by the Board to formulate a remuneration policy for approval by the Board, which will take into consideration factors such as salaries paid by comparable companies, employment conditions, responsibilities and individual performance of the Directors, senior management and the general staff of the Company.

The Company has adopted the Share Option Scheme as an incentive to eligible participants.



# DIRECTORS' REPORT

## DONATIONS

During the Year, charitable donations of HK\$5,700 were made by the Group (2020: Nil).

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, there was a sufficient public float of at least 25% of the issued Shares as required under the GEM Listing Rules throughout the Year and up to the date of this report.

## CORPORATE GOVERNANCE

Save as disclosed in this annual report, the Company had complied with all the applicable code provisions as set out in the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules during the Year.

Details of the principal corporate governance practices of the Group are set out in the section headed "Corporate Governance Report" on pages 35 to 51 of this annual report.

The compliance officer of the Company is Mrs. Donati Chan Yi Mei Amy whose biographical details are set out on page 18 of this annual report. The company secretary of the Company is Ms. Cheng Kwai Yee (who is also the Company's Chief Financial Officer). Her biographical details is set out on page 20 of this annual report.

## INTERESTS OF COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company 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, during the period from 1st October 2020 to 31st December 2020, 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. The agreement with the Compliance Adviser expired on 1st January 2021.

## REVIEW BY AUDIT COMMITTEE

The audited consolidated financial statements of the Group for the Year and this annual report have been reviewed by the Audit Committee.

## INDEPENDENT AUDITOR

Martin C.K. Pong & Company (“**MCKP**”) resigned as the auditor of the Company with effect from 9th December 2021. PKF Hong Kong Limited (“**PKF**”) has been appointed as the auditor of the Company with effect from 14th December 2021 to fill the casual vacancy following the resignation of MCKP.

PKF will retire as the independent auditor of the Company and, being eligible, offer themselves for re-appointment at the forthcoming 2022 AGM. A resolution for their re-appointment will be proposed at the forthcoming 2022 AGM.

On behalf of the Board

**Chan Tsang Tieh**

*Chairman and Executive Director*

Hong Kong, 28th January 2022



# CORPORATE GOVERNANCE REPORT



The Company is committed to fulfilling its responsibilities to its shareholders (the “**Shareholders**”) and protecting and enhancing Shareholders’ value through good corporate governance.

The directors of the Company (the “**Directors**”) recognise the importance of incorporating elements of good corporate governance in the management structures, internal control and risk management procedures of the Company and its subsidiaries (the “**Group**”) so as to achieve effective accountability.

## CORPORATE GOVERNANCE PRACTICES

The Company has complied with all applicable code provisions as set out in the Corporate Governance Code as contained in Appendix 15 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”, the “**GEM Listing Rules**” and the “**CG Code**”, respectively) during the year ended 30th September 2021 (the “**Year**”), except as disclosed in this report.

## SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings in the securities as contained 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. Following a specific enquiry made by the Company on each of the Directors, all Directors have confirmed that they had complied with the Required Standard of Dealings during the Year.

## BOARD OF DIRECTORS

### RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD

The board of Directors (the “**Board**”) is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of the Group. The Board sets the Group’s values and standards and ensures that the requisite financial and human resources support is in place for the Group to achieve its objectives. The functions performed by the Board include but are not limited to formulating the Group’s business and investment plans and strategies, deciding all significant financial (including major capital expenditure) and operational issues, developing, monitoring and reviewing the Group’s corporate governance practices and all other functions reserved to the Board under the Company’s articles of association (the “**Articles of Association**”). The Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference. The Board may from time to time delegate certain functions to management of the Group (the “**Management**”) if and when considered appropriate. The management is mainly responsible for the execution of the business plans, strategies and policies adopted by the Board and other duties assigned to it from time to time.

The Directors have full access to information of the Group and the Management has an obligation to supply the Directors with adequate information in a timely manner to enable the Directors to perform their responsibilities. The Directors are entitled to seek independent professional advice in appropriate circumstances at the Company’s expense.



# CORPORATE GOVERNANCE REPORT

## COMPOSITION

The Company is committed to holding the view that the Board should include a balanced composition of executive Directors and independent non-executive Directors (the “INEDs”) so that there is a strong independent element on the Board, which can effectively exercise independent judgment.

As at the date of this annual report, the Board comprises the following five Directors, of which the INEDs in aggregate represent 60% of the Board members:

## EXECUTIVE DIRECTORS

Mr. Chan Tsang Tieh (*Chairman*)

Mrs. Donati Chan Yi Mei Amy (*Chief Executive Officer*)

## INEDS

Mr. Li Wai Ming

Mr. Wan Chun Wai Andrew

Ms. Chan Chiu Yee Natalie

The biographical details of each of the Directors are set out in the section headed “Directors and Senior Management Profiles” of this annual report.

There was no financial, business, family or other material relationship among the Directors during the Year and up to the date of this annual report.

The INEDs have brought in a wide range of business and financial expertise, experience and independent judgement to the Board. Through active participation in the Board meetings and serving on various Board committees, all INEDs will continue to make various contributions to the Company.

Throughout the Year, the Company had three INEDs, and has met the requirements of the GEM Listing Rules and that one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise.

The Company has received an annual confirmation of independence in writing from each of the INEDs pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers that all the INEDs are independent and have met the independence guidelines as set out in Rule 5.09 of the GEM Listing Rules.

During the Year, the chairman of the Board (the “**Chairman**”), being an executive Director, had held a meeting with the INEDs without the presence of the other executive Director.



# CORPORATE GOVERNANCE REPORT

## DIRECTORS' INDUCTION AND CONTINUING PROFESSIONAL DEVELOPMENT

Each of the Directors has received a formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure that he/she has a proper understanding of the Company's operations and business and is fully aware of the director's responsibilities under statute and common law, the GEM Listing Rules, other legal and regulatory requirements and the Company's business and governance policies.

The Company will from time to time provide briefings to all Directors to develop and refresh their duties and responsibilities. All Directors are also encouraged to attend relevant training courses at the Company's expense and they have been requested to provide the Company with their training records. According to the training records maintained by the Company, the continuing professional development programmes received by each of the Directors during the Year are summarised as follows:

Name of Directors	Type of trainings
Mr. Chan Tsang Tieh	B
Mrs. Donati Chan Yi Mei Amy	A and B
Mr. Li Wai Ming	A and B
Mr. Wan Chun Wai Andrew	A and B
Ms. Chan Chiu Yee Natalie	A and B

A: attending seminars/conferences/forums

B: reading newspapers, journals and updates relating to the economy, general business, corporate governance and directors' duties and responsibilities

## MEETINGS OF THE BOARD AND DIRECTORS' ATTENDANCE RECORDS

The Board is scheduled to meet at least four times a year at approximately quarterly intervals with notice given to the Directors at least 14 days in advance. For all other Board meetings, notice will be given in a reasonable time in advance. The Directors are allowed to include any matter in the agenda that is required for discussion and resolution at the meeting. To enable the Directors to be properly briefed on issues arising at each of the Board meetings and to make informed decisions, an agenda and the accompanying Board papers will be sent to all Directors at least three days before the intended date of the Board meeting, or such other period as agreed. The company secretary of the Company (the "Company Secretary") is responsible for keeping all Board meetings' minutes. Draft and final versions of the minutes will be circulated to the Directors for comments and record respectively within a reasonable time after each meeting and the final version thereof is open for the Directors' inspection.

During the Year, four regular Board meetings were held and, amongst other matters, considered and approved the audited consolidated financial statements of the Group for the year ended 30th September 2020 (the "Year 2020") as well as the unaudited condensed consolidated financial statements of the Group for the three months ended 31st December 2020, for the six months ended 31st March 2021 and for the nine months ended 30th June 2021, respectively.



# CORPORATE GOVERNANCE REPORT

The attendance of each Director at the Board meetings during the Year is as follows:

<b>Name of Directors</b>	<b>No. of Attendance/ No. of Meetings</b>
Mr. Chan Tsang Tieh	1/4
Mrs. Donati Chan Yi Mei Amy	4/4
Mr. Li Wai Ming	4/4
Mr. Wan Chun Wai Andrew	4/4
Ms. Chan Chiu Yee Natalie	4/4

During the Year, the Company held an annual general meeting (the “**AGM**”) of the Shareholders on 8th February 2021 (the “**2021 AGM**”) and was attended by all Directors, despite that Mr. Chan Tsang Tieh, the Chairman, was unable to attend the 2021 AGM in person, he participated through video conferencing, Mrs. Donati Chan Yi Mei Amy, an executive Director and the chief executive officer of the Company (the “**CEO**”), took the chair of the 2021 AGM in accordance with the Articles of Association to ensure an effective communication with the Shareholders.

## BOARD DIVERSITY POLICY

The Board has adopted a policy of the Board diversity and discussed all measurable objectives set for implementing the same.

The Company recognises and embraces the benefits of a diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company’s business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge.

## CHAIRMAN AND CHIEF EXECUTIVE

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Year and up to the date of this annual report, Mr. Chan Tsang Tieh acted as the Chairman and Mrs. Donati Chan Yi Mei Amy acted as the CEO. The roles of the Chairman and the CEO have been separated and assumed by different individuals to ensure a balance of power and authority so that power is not concentrated in any member of the Board.





# CORPORATE GOVERNANCE REPORT

## BOARD COMMITTEES

The Board has established four Board committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee and the Risk Management Committee, to oversee particular aspects of the Company's affairs. The Board committees are provided with sufficient resources to discharge their duties.

### AUDIT COMMITTEE

The Audit Committee was established on 16th January 2018 with written terms of reference in compliance with the CG Code. Such terms of reference were amended on 28th December 2018. The written terms of reference of the Audit Committee are published on the respective websites of the Stock Exchange and the Company. The Audit Committee comprises all the INEDs, namely Mr. Li Wai Ming, Mr. Wan Chun Wai Andrew and Ms. Chan Chiu Yee Natalie. Mr. Li Wai Ming is the chairperson of the Audit Committee.

The principal roles and functions of the Audit Committee include but are not limited to:

- making recommendation to the Board on the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor, and handling any questions of resignation or dismissal of that auditor;
- reviewing the financial reporting principles and practices applied by the Group in preparing its financial statements;
- before audit commencement, reviewing external auditor's independence, objectivity and effectiveness of the audit process and the scope of the external audit, including the engagement letter;
- monitoring the integrity of the Group's financial statements and the annual, quarterly and interim financial reports and reviewing significant financial reporting judgments contained in them;
- seeking from the external auditor, on an annual basis, information about the policies and processes for maintaining independence and monitoring the compliance with relevant requirements, including the provision of non-audit services and requirements regarding rotation of audit partners and staff;
- discussing with the external auditor any recommendations arising from the audit (if necessary in the absence of the Management); and reviewing the draft management letter, any material queries raised by the auditor to the Management in respect of the accounting records, financial accounts or systems of control including the Management's response to the points raised;
- ensuring that the Board will provide a timely response to issues raised in the external auditor's management letter;
- reviewing and monitoring the scope, effectiveness and results of review performed by the Board, ensuring coordination between the Board and external auditors and ensuring that the Board is adequately resourced and has appropriate standing within the Group;



# CORPORATE GOVERNANCE REPORT

- developing and implementing a policy on engaging an external auditor to supply non-audit services;
- discussing with the Management the scope and quality of systems of risk management and internal control and ensuring that the Management has discharged its duty to have an effective risk management and internal control systems, including the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting function, and their training programmes and budget;
- reviewing the findings of internal investigations and the Management's response into any suspected frauds or irregularities or failures of risk management and internal controls or infringements of laws, rules and regulations;
- reviewing arrangements by which employees, in confidence, can raise concerns about possible improprieties in financial reporting, internal control or other matters; and
- considering other topics as requested by the Board.

During the Year, four Audit Committee meetings were held and the Audit Committee, amongst other matters, considered, reviewed and approved (i) for presentation to the Board for consideration and approval of (a) the draft audited consolidated financial statements of the Group for the Year 2020, unaudited condensed consolidated financial statements of the Group for the three months ended 31st December 2020, for the six months ended 31st March 2021 and for the nine months ended 30th June 2021, respectively; (b) the re-appointment of the auditor at the 2021 AGM; and (ii) audit-related matters.

The attendance of each INED at the Audit Committee meetings during the Year is as follows:

<b>Name of Directors</b>	<b>No. of Attendance/ No. of Meetings</b>
Mr. Li Wai Ming	4/4
Mr. Wan Chun Wai Andrew	4/4
Ms. Chan Chiu Yee Natalie	4/4

## REMUNERATION COMMITTEE

The Remuneration Committee was established on 16th January 2018 with written terms of reference in compliance with the CG Code. Such terms of reference were amended on 5th February 2020. The written terms of reference of the Remuneration Committee are published on the respective websites of the Stock Exchange and the Company. The Remuneration Committee comprises an executive Director, Mrs. Donati Chan Yi Mei Amy, and two INEDs, namely Mr. Wan Chun Wai Andrew and Ms. Chan Chiu Yee Natalie. Mr. Wan Chun Wai Andrew is the chairperson of the Remuneration Committee.



# CORPORATE GOVERNANCE REPORT

The principal roles and functions of the Remuneration Committee include but are not limited to:

- formulating a remuneration policy for approval by the Board, which shall take into consideration factors such as salaries paid by comparable companies as well as employment conditions, responsibilities and individual performance of the Directors, senior management and the general staff of the Group. Performance shall be measured against the corporate goals and objectives resolved by the Board from time to time; and implementing the remuneration policy laid down by the Board;
- recommending to the Board on the policy and structure for the remuneration of the Directors and senior management of the Company (the “**Senior Management**”) formal and transparent procedure for developing a remuneration policy;
- making recommendations to the Board on the remuneration packages of individual executive Directors and the Senior Management, including benefits in kind, pension rights, compensation payments (including compensation payable for the loss or termination of office or appointment etc.) if considered appropriate;
- making recommendations to the Board on the remuneration of non-executive Directors (including the INEDs);
- considering salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;
- reviewing and approving the compensation payable to executive Directors and the Senior Management for any loss or termination of the office or appointment to ensure that it is consistent with the contractual terms and is otherwise fair and not excessive;
- reviewing and approving compensation arrangements relating to the dismissal or removal of Directors for misconduct to ensure that they are consistent with the contractual terms and are otherwise reasonable and appropriate;
- ensuring that no Director or member of the Senior Management or any of their respective associates (as defined in the GEM Listing Rules) is involved in deciding his/her own remuneration;
- determining the criteria for assessing employee performance, which should reflect the Company’s business objectives and targets; and
- considering the annual performance bonus for Directors, senior management and the general staff of the Group, having regard to their respective achievements against the performance criteria and by reference to market norms, and making recommendation to the Board accordingly.



# CORPORATE GOVERNANCE REPORT

During the Year, one Remuneration Committee meeting was held, which, amongst other matters, determined the remuneration of the Directors and the Senior Management as well as reviewed and recommended to the Board for consideration the annual performance bonus for the Directors, senior management and the general staff of the Group.

The attendance of each Director in the capacity of a member of the Remuneration Committee at the meeting during the Year is as follows:

<b>Name of Directors</b>	<b>No. of Attendance/ No. of Meetings</b>
Mr. Wan Chun Wai Andrew	1/1
Mrs. Donati Chan Yi Mei Amy	1/1
Ms. Chan Chiu Yee Natalie	1/1

## NOMINATION COMMITTEE

The Nomination Committee was established on 16th January 2018 with written terms of reference in compliance with the CG Code. The written terms of reference of the Nomination Committee are published on the respective websites of the Stock Exchange and the Company. The Nomination Committee comprises an executive Director, Mr. Chan Tsang Tieh, and two INEDs, namely Ms. Chan Chiu Yee Natalie and Mr. Wan Chun Wai Andrew. Ms. Chan Chiu Yee Natalie is the chairperson of the Nomination Committee.

The principal roles and functions of the Nomination Committee include but are not limited to:

- reviewing the structure, size and diversity (including without limitation, gender, age, cultural and educational background, professional experience, skills, knowledge and length of service) of the Board at least annually; and making recommendations on any proposed changes to the Board to implement the Company's corporate strategy;
- identifying and nominating appropriate candidates to fill casual vacancies of the Directors for the Board's approval;
- assessing the independence of the INEDs and reviewing the INEDs' annual confirmations on their independence;
- reviewing the Board diversity policy, as appropriate; and reviewing the measurable objectives that the Board has set for implementing the Board diversity policy, and the progress on achieving the objectives; and
- reviewing the succession planning for the Chairman, the chief executive as well as the Senior Management, taking into account the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future, together with the Board, as appropriate.



# CORPORATE GOVERNANCE REPORT

During the Year, one Nomination Committee meeting was held, which, amongst other matters, reviewed the structure, size and diversity of the Board, assessed the independence of the INEDs and recommended to the Board for consideration the re-appointment of the retiring Directors at the 2021 AGM.

The attendance of each Director in the capacity of a member of the Nomination Committee at the meeting during the Year is as follows:

<b>Name of Directors</b>	<b>No. of Attendance/ No. of Meetings</b>
Mr. Chan Tsang Tieh	1/1
Ms. Chan Chiu Yee Natalie	1/1
Mr. Wan Chun Wai Andrew	1/1

The Company has adopted a nomination policy with the following details:

## **Objective**

The Nomination Committee shall nominate suitable candidates to the Board to consider and make recommendations to Shareholders for election as a Director at general meeting or appoint as a Director to fill casual vacancy.

## **Selection Criteria**

The factors listed below would be considered by the Nomination Committee in assessing the proposed candidate:

- Reputation
- Experience in the industry
- Commitment in respect of available time and interest
- Diversity, including but not limited to gender, age (18 years or above), cultural, educational background, professional experience.

The above factors are for reference only; the Nomination Committee has the discretion to nominate any person, as it considers appropriate.

Proposed candidates will need to submit the necessary personal information, together with the written consent to be appointed as a Director.

The Nomination Committee may request candidates to provide additional information and documents, if necessary.



# CORPORATE GOVERNANCE REPORT

## *Nomination Procedures*

The Nomination Committee shall make recommendations for the Board's consideration and approval. The nominated persons shall not assume that they have been proposed by the Board for election not until the issue of the shareholder circular.

A circular, with the information of the candidates nominated by the Board and invitation of nominations from Shareholders, will then be sent to Shareholders.

The circular will set out the period for Shareholders to make the nominations. The names, independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations, of the proposed candidates will be included in the circular to Shareholders.

Shareholders can serve a notice to the Company Secretary within the period of his/her/its intention to propose a resolution to elect a certain person as a Director, without the Board's recommendation or the Nomination Committee's nomination, other than those candidates set out in the shareholder circular. The particulars of the candidates so proposed will be sent to all Shareholders for information by a supplementary circular.

A candidate is allowed to withdraw his/her candidature at any time before the general meeting at which his/her proposed directorship will be considered by the Shareholders, by serving a written notice to the Company Secretary.

The Board shall have the final decision on all matters relating to its recommendation of candidates.

## **RISK MANAGEMENT COMMITTEE**

The Risk Management Committee was established on 16th January 2018 with written terms of reference. The written terms of reference of the Risk Management Committee are published on the respective websites of the Stock Exchange and the Company. The Risk Management Committee comprises all the INEDs, namely Mr. Li Wai Ming, Mr. Wan Chun Wai Andrew and Ms. Chan Chiu Yee Natalie. Mr. Li Wai Ming is the chairperson of the Risk Management Committee.

The principal roles and functions of the Risk Management Committee include but are not limited to:

- considering and formulating risk management framework and providing guidelines to the management on risk management by setting up procedures to identify, assess and manage material risks faced by the Group;
- reviewing and assessing regularly the adequacy and effectiveness of the Group's risk management framework, internal control systems relating to risk management (other than internal financial control systems) and risk management policies and procedures in order to identify, assess and manage risks, and overseeing their effective operation, implementation and maintenance;



# CORPORATE GOVERNANCE REPORT

- overseeing the Group’s risk management and internal control systems on an ongoing basis, and ensuring that a review of the effectiveness of the Group’s risk management and internal control systems is conducted at least annually; and
- reviewing the changes in the nature and extent of significant risks, and the Company’s ability to respond to changes in its business and external environment.

During the Year, one Risk Management Committee meeting was held, which, amongst other matters, reviewed the risk management and internal control systems and discussed risk management-related matters.

The attendance of each Director in the capacity of a member of the Risk Management Committee at the meeting during the Year is as follows:

<b>Name of Directors</b>	<b>No. of Attendance/ No. of Meetings</b>
Mr. Li Wai Ming	1/1
Mr. Wan Chun Wai Andrew	1/1
Ms. Chan Chiu Yee Natalie	1/1

## CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance functions as set out in code provision D.3.1 of the CG Code, which include:

- developing and reviewing the Company’s policies and practices on corporate governance;
- reviewing and monitoring the training and CPD of the Directors and senior management;
- reviewing and monitoring the Company’s policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and the Directors; and
- reviewing the Company’s compliance with the CG Code and disclosure in this report.



# CORPORATE GOVERNANCE REPORT

## APPOINTMENT AND RE-ELECTION OF DIRECTORS

All the Directors, including the INEDs, are subject to retirement by rotation and eligible for re-election in accordance with the Articles of Association. At each AGM of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at the AGM at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he/she retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and does not offer himself/herself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been the longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Shareholders after his/her appointment and shall be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM and shall then be eligible for re-election.

## REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the Directors' remuneration for the Year are set out in note 11 to the consolidated financial statements.

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the members of the senior management (other than the Directors) whose particulars are contained in the section headed "Directors and Senior Management Profiles" of this annual report for the Year by band is set out below:

<b>Remuneration band (in HK\$)</b>	<b>Number of individuals</b>
Nil to 1,000,000	4





# CORPORATE GOVERNANCE REPORT

## INDEPENDENT AUDITOR'S REMUNERATION

For the Year, PKF Hong Kong Limited (“**PKF**”) was engaged as the independent auditor of the Company.

The remuneration paid/payable to PKF in respect of the Year is set out below:

<b>Services</b>	<b>Fee paid/payable HK\$'000</b>
Audit services — Annual audit	800
<b>Total</b>	<b>800</b>

## DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements of the Group for the Year.

The Directors were not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

## RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for evaluating and determining the nature and extent of the risks that the Company is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems. The Board acknowledges that such risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. The Company does not have an internal audit department. The Board currently takes the view that there is no immediate need to set up an internal audit function in light of the size, nature and complexity of the Group's business. The need for an internal audit function will be reviewed from time to time.

The Board, through the Audit Committee and the Risk Management Committee, has conducted a review of the effectiveness of the risk management and internal control systems of the Group covering all material controls, including financial, operational and compliance controls. The Board considers that the Group's risk management and internal control systems are adequate and effective. The Board expects that a review of the risk management and internal control systems will be performed annually.



# CORPORATE GOVERNANCE REPORT

## DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong and the GEM Listing Rules and the overriding principle that inside information should be announced promptly when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirements under the GEM Listing Rules as well as the “Guidelines on Disclosure of Inside Information” published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and the Company’s website;
- the Group has strictly prohibited unauthorised use of confidential or inside information; and
- the Group has established and implemented procedures for responding to external enquiries about the Group’s affairs, so that only the executive Directors and the Company Secretary are authorised to communicate with parties outside the Group.

## COMPANY SECRETARY

Company Secretary supports the Board by ensuring good information flow within the Board and that the Board policy and procedures are followed. The Company Secretary is responsible for advising the Board on corporate governance matters and facilitating induction and professional development of the Directors. All Directors have access to the advice and services of the Company Secretary to ensure that the Board procedures and all applicable laws, rules and regulations are followed.

During the Year, Ms. Cheng Kwai Yee (“**Ms. Cheng**”) and Sir Kwok Siu Man KR (“**Sir Seaman Kwok**”) were Joint Company Secretaries until Sir Seaman Kwok tendered his resignation as a Joint Company Secretary with effect from 27th January 2021. Since then, Ms. Cheng has remained in office and acted as the sole Company Secretary and continued to perform and discharge the duties of the Company Secretary under the GEM Listing Rules. She meets the qualification requirements for company secretary under Rule 5.14 of the GEM Listing Rules and has taken no less than 15 hours of relevant professional training during the Year pursuant to Rule 5.15 of the GEM Listing Rules.



# CORPORATE GOVERNANCE REPORT

## SHAREHOLDERS' RIGHTS

### PROCEDURES FOR PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

Shareholders are welcome to suggest proposals relating to the operations, strategy and/or management of the Group to be discussed at Shareholders' meeting. Proposals may be sent to the Board or the Company Secretary by written requisition. Shareholders who wish to make proposals or move a resolution may, however, convene an extraordinary general meeting (the "EGM") in accordance with the "Procedures for Shareholders to Convene an EGM" set out below.

### PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EGM

Pursuant to the Articles of Association, any one or more Shareholders holding at the date of deposit of the requisition not less than 10% of the paid-up capital of the Company carrying the right of voting at general meetings of the Company (the "Eligible Shareholder(s)") shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business specified in such requisition, including making proposals or moving a resolution at the EGM.

Eligible Shareholder(s) who wish(es) to convene an EGM for the purpose of making proposals or moving a resolution at the EGM must deposit a written requisition (the "Requisition") signed by the Eligible Shareholder(s) concerned (the "Requisitionist(s)") at the principal place of business of the Company in Hong Kong for the attention of the Company Secretary.

The Requisition must state clearly the name(s) of the Requisitionist(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an EGM and the proposed agenda.

The Company will check the Requisition and the identity and shareholding of the Requisitionist(s) will be verified with the Company's branch share registrar in Hong Kong. If the Requisition is found to be proper and in order, the Company Secretary will ask the Board to convene an EGM and/or include the proposal(s) made or the resolution(s) proposed by the Requisitionist(s) at the EGM within two months after the deposit of the Requisition. On the contrary, if the Requisition has been verified as not in order, the Requisitionist(s) will be advised of the outcome and accordingly, the Board or the Company Secretary will not call for an EGM nor include the proposal(s) made or the resolution(s) proposed by the Requisitionist(s) at the EGM.

If within 21 days of the deposit of the Requisition the Board or the Company Secretary fails to proceed to convene an EGM, the Requisitionist(s) himself/herself/themselves may do so in the same manner, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Board or the Company Secretary to convene the EGM shall be reimbursed to the Requisitionist(s) by the Company.



# CORPORATE GOVERNANCE REPORT

## PROCEDURES FOR SHAREHOLDERS TO SEND ENQUIRIES TO THE BOARD

Shareholders may direct their enquiries about their shareholdings or their notification of change of correspondence address or their dividend/distribution instructions to the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square 338 King's Road, North Point, Hong Kong.

Shareholders may send their enquiries and concerns to the Board by post to the headquarters and principal place of business of the Company in Hong Kong at 8/F., Wheelock House, 20 Pedder Street, Central, Hong Kong for the attention of the Company Secretary.

Upon receipt of the enquiries, the Company Secretary will forward the communications relating to:

1. the matters within the Board's purview to the executive Directors;
2. the matters within a Board committee's area of responsibility to the chairperson of the appropriate committee; and
3. ordinary business matters, such as suggestions, enquiries and client complaints to the appropriate management of the Company.

## DIVIDEND POLICY

The Board has approved and modified the dividend policy to provide Shareholders with regular dividends (the "**Dividend Policy**"). The Company endeavors to deliver sustainable expectation to the Shareholders and to maintain a prudent capital management.

Under the Dividend Policy, the Board shall take into account the following factors:

- the Company's actual and expected financial performance;
- the retained earnings and distributable reserves of the Company and each of the members of the Group;
- the level of the Group's debts to equity ratio and the return on equity ratio;
- the Group's expected working capital requirements and future expansion plans;
- general economic conditions, business cycle of the Group's business and other internal and external factors that may have impact on the business or financial performance and position of the Company; and
- any other factors that the Board consider appropriate.

The Board will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividend and/or in no way obligate the Company to declare a dividend at any time or from time to time.

Any final dividend declared by the Company must be approved by an ordinary resolution of Shareholders at an AGM and must not exceed the amount recommended by the Board.



# CORPORATE GOVERNANCE REPORT

## COMMUNICATION WITH THE SHAREHOLDERS

The Company has adopted a Shareholders' communication policy with the objective of ensuring that the Shareholders will have equal and timely access to information about the Company in order to enable the Shareholders to exercise their rights in an informed manner and allow them to engage actively with the Company.

Information will be communicated to the Shareholders through the Company's financial reports, circulars, AGMs and EGMs that may be convened as well as all the published disclosures submitted to the Stock Exchange.

## CONSTITUTIONAL DOCUMENTS

There was no change in the constitutional documents of the Company during the Year.

# FINANCIAL STATEMENTS



*Rain is just confetti from the sky*



# INDEPENDENT AUDITOR'S REPORT



**To the Shareholders of EDICO Holdings Limited**  
*(incorporated in the Cayman Islands with limited liability)*

## OPINION

We have audited the consolidated financial statements of EDICO Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 59 to 103, which comprise the consolidated statement of financial position as at 30th September 2021; and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended; and notes to the consolidated financial statements, which include a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30th September 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# INDEPENDENT AUDITOR'S REPORT

Key audit matters identified in our audit are summarised as follows:

- Revenue recognition
- Impairment assessment of contracts assets and trade receivable

## Key Audit Matter

## How our audit addressed the Key Audit Matter

### Revenue recognition

Refer to Note 6(a) (significant accounting judgments and estimates) and Note 8 (revenue) to the consolidated financial statements.

The Group recognised revenue of HK\$57,532,000 from provision of financial printing services for the year ended 30th September 2021.

Revenue from provision of financial printing services is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation at reporting date using input method as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. We identified the recognition of revenue from provision of financial printing services as a key audit matter due to the financial significance of revenue in the consolidated financial statements and the significant judgements required in determining the earliest time at which the Group can reasonably measure the outcome of the performance obligation and estimation required for measuring the progress and variable consideration.

Our procedures in relation to revenue recognition mainly included:

- Obtaining an understanding of the processes and testing the Group's internal controls over the recognition of revenue;
- Reviewing signed fee proposals with customers to understand the terms of the provision of financial printing services to assess if the revenue recognition policy applied by the Group is in compliance with HKFRS 15 *Revenue from Contracts with Customers*;
- Assessing the reasonableness of management's revised judgement applied in determining the earliest time at which the Group can reasonably measure the outcome of the performance obligation and estimation required for measuring the progress and variable consideration; and
- Checking the mathematical accuracy of and examining the incurred costs to date by tracing to source documentation on a sample basis and evaluating their recoverability.





# INDEPENDENT AUDITOR'S REPORT

## Key Audit Matter

## How our audit addressed the Key Audit Matter

### Impairment assessment of trade receivables and contract assets

Refer to Note 6(b) (significant accounting judgments and estimates) and Note 18 (trade receivables) and Note 19 (contract assets/contract liabilities) to the consolidated financial statements.

As at 30th September 2021, trade receivables and contract assets recognised by the Group amounted to HK\$20,908,000 and HK\$3,312,000 respectively. The related provision for expected credit losses for trade receivables and contract assets recognised by the Group amounted to HK\$6,550,000 and HK\$3,019,000 respectively.

Management judgement is involved in assessing the appropriateness of forward-looking information used for estimating expected credit losses. Management estimated the expected credit losses, based on historical credit loss experience by customers as adjusted for forward-looking information. The impact of economic factors, both current and future, is considered in assessing the likelihood of recovery from customer, where applicable.

We focus on the area due to the significant management's judgement and estimation involved in assessing the expected credit losses.

Our procedures in relation to impairment assessment of trade receivables and contract assets mainly included:

- Reviewing management's assessment of the overall policies and procedures in relation to expected credit losses model for estimating impairment provisions and assessing the appropriateness of the model applied by the management;
- Assessing the reasonableness of management's judgement and estimates for expected credit losses by examining the information used by management, including testing accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information; and
- Checking the subsequent settlements made by customers to relevant bank records on a sample basis.



# INDEPENDENT AUDITOR'S REPORT

## OTHER MATTER

The consolidated financial statements of the Group for the year ended 30th September 2020 were audited by another auditor who expressed an unmodified opinion on those statements in their report on 15th December 2020.

## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.



# INDEPENDENT AUDITOR'S REPORT

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with our agreed terms of agreement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



# INDEPENDENT AUDITOR'S REPORT

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wan Tak Shing (Practising Certificate Number: P04844).

**PKF Hong Kong Limited**  
*Certified Public Accountants*

Hong Kong, 28th January 2022



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30th September 2021

	Notes	2021 HK\$'000	2020 HK\$'000 (Restated)
Revenue	8	<b>57,532</b>	81,971
Cost of services		<b>(27,944)</b>	(37,634)
Gross profit		<b>29,588</b>	44,337
Other income	9	<b>2,058</b>	2,619
Selling expenses		<b>(3,625)</b>	(2,690)
Administrative expenses		<b>(29,319)</b>	(31,953)
Finance costs		<b>(511)</b>	(1,051)
(Loss)/profit before tax	10	<b>(1,809)</b>	11,262
Income tax credit	13	<b>80</b>	—
(Loss)/profit and total comprehensive (expense)/income for the year attributable to owners of the Company		<b>(1,729)</b>	11,262
		<b>HK cents</b>	HK cents (Restated)
<b>(Loss)/earnings per share attributable to owners of the Company</b>			
Basic and diluted	15	<b>(0.17)</b>	1.13

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th September 2021

	Notes	As at 30th September		As at
		2021 HK\$'000	2020 HK\$'000 (Restated)	1st October 2019 HK\$'000 (Restated)
<b>Non-current Assets</b>				
Property, plant and equipment	16	2,260	2,696	3,292
Right-of-use assets	17	4,784	16,809	25,575
<b>Total Non-current Assets</b>		<b>7,044</b>	19,505	28,867
<b>Current Assets</b>				
Trade receivables	18	14,358	11,899	18,158
Contract assets	19	293	290	1,675
Prepayments, deposits and other receivables	20	3,808	4,165	3,714
Income tax recoverable		—	260	561
Cash and cash equivalents	21	65,908	69,657	47,399
<b>Total Current Assets</b>		<b>84,367</b>	86,271	71,507
<b>Current Liabilities</b>				
Trade payables	22	7,514	9,182	6,369
Contract liabilities	19	8,263	6,675	7,338
Accruals	23	2,700	3,012	2,707
Lease liabilities	17	3,906	12,290	10,839
<b>Total Current Liabilities</b>		<b>22,383</b>	31,159	27,253
<b>Net Current Assets</b>		<b>61,984</b>	55,112	44,254
<b>Total Assets less Current Liabilities</b>		<b>69,028</b>	74,617	73,121
<b>Non-current Liability</b>				
Lease liabilities	17	1,110	4,970	14,736
<b>Net Assets</b>		<b>67,918</b>	69,647	58,385
<b>Capital and Reserves</b>				
Share capital	25	10,000	10,000	10,000
Reserves	26	57,918	59,647	48,385
<b>Total Equity</b>		<b>67,918</b>	69,647	58,385

The consolidated financial statements were approved and authorised for issue by the board of directors on 28th January 2022 and were signed on its behalf by:

Mr. Chan Tsang Tieh  
Director

Mrs. Donati Chan Yi Mei Amy  
Director



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30th September 2021

	Share capital HK\$'000 (Note 25)	Share premium HK\$'000 (Note 26(i))	Capital reserve HK\$'000 (Note 26(ii))	Merger reserve HK\$'000 (Note 26(iii))	Retained profits HK\$'000	Total HK\$'000
At 1st October 2019 (Restated)	10,000	36,735	5,074	16	6,560	58,385
Profit and total comprehensive income for the year	—	—	—	—	11,262	11,262
At 30th September 2020 (Restated)	10,000	36,735	5,074	16	17,822	69,647
Loss and total comprehensive expense for the year	—	—	—	—	(1,729)	(1,729)
<b>At 30th September 2021</b>	<b>10,000</b>	<b>36,735</b>	<b>5,074</b>	<b>16</b>	<b>16,093</b>	<b>67,918</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30th September 2021

	Notes	2021 HK\$'000	2020 HK\$'000 (Restated)
<b>Cash Flows from Operating Activities</b>			
(Loss)/profit before tax		(1,809)	11,262
Adjustments for:			
Interest income		(178)	(733)
Interest expenses		615	1,174
Depreciation of property, plant and equipment		888	886
Depreciation of right-of-use assets		12,077	11,623
Property, plant and equipment written off		—	6
Impairment losses on trade receivables		2,526	2,032
Impairment losses on contract assets		33	1,597
Written back of contract liabilities		(888)	—
<b>Operating cash flows before movements in working capital</b>		<b>13,264</b>	27,847
(Increase)/decrease in:			
— trade receivables		(4,985)	4,227
— contract assets		(36)	(212)
— prepayments, deposits and other receivables		357	(451)
(Decrease)/increase in:			
— trade payables		(1,668)	2,813
— contract liabilities		2,476	(663)
— accruals		(312)	305
Cash generated from operations		9,096	33,866
Income tax refunded		340	301
<b>Net cash from operating activities</b>		<b>9,436</b>	34,167
<b>Cash Flows from Investing Activities</b>			
Interest received		178	733
Purchases of property, plant and equipment		(452)	(296)
<b>Net cash (used in)/from investing activities</b>		<b>(274)</b>	437
<b>Cash Flows from Financing Activities</b>			
Interest paid	27	(615)	(1,174)
Repayments of principal portion of lease liabilities	27	(12,296)	(11,172)
<b>Net cash used in financing activities</b>		<b>(12,911)</b>	(12,346)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(3,749)</b>	22,258
<b>Cash and cash equivalents, at beginning of year</b>		<b>69,657</b>	47,399
<b>Cash and cash equivalents, at end of year</b>	21	<b>65,908</b>	69,657





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL

EDICO Holdings Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 20th May 2016 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the “Companies Law”). The shares of the Company are listed on the GEM (“Listing”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 2nd February 2018.

The Company’s registered office is at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company has established its principal place of business in Hong Kong at 8/F., Wheelock House, 20 Pedder Street, Central, Hong Kong.

The Company’s immediate and ultimate holding company is Achiever Choice Limited, a company incorporated in the British Virgin Islands (the “BVI”). The ultimate controlling shareholder of the Company is Mr. Chan Tsang Tieh (“Mr. Chan”), an executive director and the Chairman of the board of directors of the Company.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 28.

The 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 consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

The consolidated financial statements have been prepared on a historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are accounted for in accordance with HKFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in HKAS 36 Impairment of Assets (“HKAS 36”).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION (Continued)

### 2.1 PRIOR YEAR ADJUSTMENTS

In prior years, the Group recognised revenue from the provision of financial printing services for IPO projects only to the extent of the recoverable costs incurred until the time when its customers submitted the application proofs with the Stock Exchange, at which the management previously determined that it was the earliest time that it could reasonably measure the outcome of the performance obligation. Thereafter the Group estimated the amount of consideration based on the historical gross margins and measured the progress using cost-to-cost input method. Apart from these, the Group presented the revenue net of the expected credit losses on contract assets.

During the year, the Company has carried out a reassessment on the Group's revenue recognition policy and has made a revised judgement that the earliest time at which the Group can reasonably measure the outcome of the performance obligation is at the time when its customers obtain approval-in-principle letters from the Stock Exchange. Variable considerations were also re-estimated with reference to the Group's efforts or inputs to satisfy the performance obligations according to the related contract terms during the course of reassessment. Further the Group has reclassified the expected credit losses as part of the administrative expenses.

The Company's directors consider that the most appropriate treatment to address the aforesaid is to make prior year adjustments with the comparative figures restated.

The effect of adjustments in the consolidated statement of profit or loss and other comprehensive income for the year ended 30th September 2020 is as follows:

	Notes	Year ended 30th September 2020 (previously report) HK\$'000	Prior year adjustments HK\$'000	Year ended 30th September 2020 HK\$'000 (Restated)
Revenue	(a) & (b)	73,209	8,762	81,971
Cost of services		(37,634)	—	(37,634)
Gross profit		35,575	8,762	44,337
Other income		2,619	—	2,619
Selling expenses		(2,690)	—	(2,690)
Administrative expenses	(b)	(30,356)	(1,597)	(31,953)
Finance costs		(1,051)	—	(1,051)
Profit before tax		4,097	7,165	11,262
Income tax		—	—	—
Profit and total comprehensive income for the year attributable to owners of the Company		4,097	7,165	11,262
		HK cents	HK cents	HK cents
Earnings per share attributable to owners of the Company				
Basic and diluted		0.41	0.72	1.13



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION (Continued)

### 2.1 PRIOR YEAR ADJUSTMENTS (Continued)

The effect of the adjustments in the affected line items of the consolidated financial positions of the Group as at 30th September 2020 and 1st October 2019 is as follows:

		As at 1st October 2019 (previously reported)	Prior year adjustments	As at 1st October 2019 (Restated)	As at 30th September 2020 (previously reported)	Prior year adjustments	As at 30th September 2020 (Restated)
Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Current assets</b>							
Contract assets	(a)&(b)	10,753	(9,078)	1,675	2,428	(2,138)	290
<b>Current liabilities</b>							
Contract liabilities	(a)	6,062	1,276	7,338	5,624	1,051	6,675
<b>Total effect on net assets</b>		4,691	(10,354)	(5,663)	(3,196)	(3,189)	(6,385)
<b>Total effect on equity</b>		4,691	(10,354)	(5,663)	(3,196)	(3,189)	(6,385)

Notes:

- a. To adjust recognition of revenue from contracts with customers following the aforesaid reassessment made by the management.
- b. To adjust impairment of contract assets previously included in revenue.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3. BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control over the subsidiaries, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one of the elements of control described above.

## 4. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

### AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time in the current year:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform — Phase 1
Amendments to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKAS 1 and HKAS 8	Definition of Material
Conceptual Framework for Financial Reporting	Revised Conceptual Framework for Financial Reporting

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 4. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs (Continued)

### NEW AND AMENDMENTS TO HKFRSs IN ISSUE BUT NOT YET EFFECTIVE

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments <sup>1</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2 <sup>4</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>1</sup>
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use <sup>2</sup>
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract <sup>2</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 <sup>2</sup>
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 <sup>5</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2022.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2021.

<sup>5</sup> Effective for annual periods beginning on or after 1 April 2021.

The directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### IMPAIRMENT OF NON-FINANCIAL ASSETS

Where an indication of impairment exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### IMPAIRMENT OF NON-FINANCIAL ASSETS (Continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

### PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure is capitalised in the carrying amount of the asset as a replacement.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful lives. The principal annual rates used for this purpose are as follows:

Leasehold improvements	Shorter of lease terms or 20%
Furniture and fixtures	20%
Office equipment	20%
Computer equipment	20%

Residual values, useful lives and the depreciation method are reviewed, and adjusted prospectively if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss on disposal or retirement is recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets or financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### *Financial assets*

All recognised financial assets are required to be subsequently measured at amortised cost or fair value on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

#### *Classification of financial assets*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### *Amortised cost and effective interest rate*

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### FINANCIAL INSTRUMENTS *(Continued)*

#### *Financial assets (Continued)*

##### *Impairment of financial assets*

The Group performs impairment assessment under expected credit loss (“ECL”) model on trade and other receivables, bank balances and cash and contract assets which are subject to impairment assessment under HKFRS 9 Financial Instruments (“HKFRS 9”). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets without significant financing component. For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

##### *Significant increase in credit risk*

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether the credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### FINANCIAL INSTRUMENTS (Continued)

#### *Financial assets (Continued)*

##### *Impairment of financial assets (Continued)*

##### *Significant increase in credit risk (Continued)*

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default; (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of “investment grade” as per globally understood definitions.

##### *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### FINANCIAL INSTRUMENTS (Continued)

#### *Financial assets (Continued)*

##### *Credit-impaired financial assets (Continued)*

- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

or

- the disappearance of an active market for that financial asset because of financial difficulties.

#### *Write-off policy*

The Group writes off a financial asset when there is information indicating that there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

#### *Measurement and recognition of ECL*

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exceptions of trade receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

Where ECL is measured on a collective basis to cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### FINANCIAL INSTRUMENTS *(Continued)*

#### *Financial assets (Continued)*

##### *Measurement and recognition of ECL (Continued)*

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics. If the Group has measured loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12m ECL at the current reporting date.

#### *Financial liabilities and equity*

##### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recognised at the proceeds received, net of direct issue costs.

##### *Financial liabilities at amortised cost*

Financial liabilities including trade payables and accruals are subsequently measured at amortised cost, using the effective interest method.

##### *Derecognition*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### LEASES

A contract is a lease if the contract transfers the right to control the use of an identified asset for a period of time in exchange for a consideration.

#### *The Group as lessee*

The Group recognises a right-of-use asset and a corresponding lease liability in which it is the lessee, except for a lease that has lease term of 12 months or less and does not contain a purchase option. For these leases, the Group recognises the lease payments as operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

#### *Right-of-use assets*

The right-of-use assets should be recognised at cost and comprise the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs incurred by the lessee. If the Group has an obligation for costs to dismantle, remove or restore the underlying asset to the condition required by the terms and conditions of the lease, provision is recognised and measured under HKAS 37 Provision, Contingent Liabilities and Contingent Assets. The costs should be included in the right-of-use asset.

Right-of-use assets are depreciated over the shorter of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Group applies HKAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Impairment of non-financial assets” policy.

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value.

#### *Lease liabilities*

Lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If the rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of lease liability comprise fixed lease payments, including in-substance fixed payments, less any lease incentives receivable.

Lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, using the effective interest method, and by reducing the carrying amount to reflect the lease payments made.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

#### *Provision of financial printing services*

The Group provides financial printing services under contracts with customers. Such contracts are entered into before the services begin. Revenue from provision of financial printing services is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation using cost-to-cost input method as the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs.

Contract assets arise when the Group has right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. They are assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group’s unconditional right to consideration.

Contract liabilities arise when the Group has obligation to transfer goods and services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

The progress towards complete satisfaction of a performance obligation is measured based on cost-to-cost input method, which is to recognise revenue on the basis of the Group’s efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group’s performance in transferring control of services.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### GOVERNMENT GRANTS

Grants from government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of profit or loss and other comprehensive income over the period necessary to match them with the costs they are intended to compensate.

### EMPLOYEE BENEFITS

Salaries, annual bonuses, annual leave entitlements and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group.

The Group operates a defined contribution scheme, the Mandatory Provident Fund retirement benefits scheme (the “**MPF Scheme**”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group’s voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

### INCOME TAX

Income tax comprises current and deferred tax and are recognised in profit or loss.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### INCOME TAX (Continued)

Deferred tax liabilities are recognised on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except:

- (1) when the temporary difference arises from the initial recognition of goodwill or an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (2) in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax losses can be utilised, except:

- (1) when the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (2) in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### FOREIGN CURRENCIES

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are translated into the functional currency at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

### RELATED PARTIES

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person,
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

Or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or a joint venture of a member of a group of which the other entity is a member);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### RELATED PARTIES (Continued)

(b) (Continued)

- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

## 6. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

### (a) REVENUE RECOGNITION

The Group recognised revenue from provision of financial printing services only to the extent of the recoverable costs incurred until the Group can reasonably measure its progress towards complete satisfaction of the performance obligation. Thereafter the revenue is recognised over time by reference to the progress towards complete satisfaction of the performance obligation at the reporting date. Variable consideration is estimated based on the Group's efforts or inputs to the satisfaction of performance obligation according to the contract terms.

Significant judgement and estimates are required in determining whether the Group can measure reasonably the outcome of its performance obligation and the uncertainty associated with the estimation of the progress and variable consideration. Incorrect judgement and estimates would affect the Group's operating performance in future years.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 6. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

### (b) IMPAIRMENT ASSESSMENT OF TRADE RECEIVABLES AND CONTRACT ASSETS

The Group makes allowances on trade receivables and contract assets based on assumptions about risk of default and expected loss rates. The allowance for trade receivables and contract assets reflects lifetime expected credit losses i.e. possible default events over the expected life of the trade receivables and contract assets, weighted by the probability of that default occurring. Judgement has been applied in determining the level of expected credit losses, taking into account the future cash flow for trade receivables and contract assets including a probability weighted amount determined by evaluating a range of possible outcomes based on the historical credit losses experience by customers, economic factors as well as forward looking estimates in assessing the likelihood of recovery from customer at the end of each reporting period. While the allowance is considered appropriate, changes in estimation basis or in economic conditions could lead to a change in the level of allowance recorded and consequently on the charge or credit to profit or loss.

## 7. OPERATING SEGMENT INFORMATION

From the perspective of the Group's senior management, it is considered that assessment of operating performance is focused on the Group as a whole for the purposes of resource allocation and performance assessment. Therefore, management considers the Group has one reporting segment i.e. provisions of financial printing services. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

### GEOGRAPHICAL INFORMATION

The Group's operations are located in Hong Kong and no non-current assets of the Group are located outside Hong Kong.

### INFORMATION ABOUT MAJOR CUSTOMERS

For the year ended 30th September 2021, there is no revenue from customers (2020: one) contributing over 10% of the total revenue of the Group. Revenue derived from a single customer contributing over 10% of the total revenue of the Group for prior period was HK\$8,259,000.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 8. REVENUE

An analysis of revenue from external customers is as follows:

	<b>2021</b> <b>HK\$'000</b>	2020 HK\$'000 (Restated)
Revenue from contracts with customers and recognised over time		
Provision of financial printing services in Hong Kong	<b>57,532</b>	81,971

The Group elected to apply the practical expedient permitted under HKFRS 15 and not disclose about revenue that the Group will be entitled to when it satisfies the remaining unsatisfied performance obligations as at the end of the reporting period under the contracts that had an original expected duration of one year or less.

The following table shows the amounts of revenue from the provision of financial printing services recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	<b>2021</b> <b>HK\$'000</b>	2020 HK\$'000 (Restated)
Revenue recognised that was included in contract liabilities at the beginning of the reporting period	<b>1,771</b>	3,047

## 9. OTHER INCOME

	<b>2021</b> <b>HK\$'000</b>	2020 HK\$'000
Bank interest income	<b>178</b>	733
Government grants under Employment Support Scheme	<b>951</b>	1,886
Written back of contract liabilities (Note)	<b>888</b>	—
Sundry income	<b>41</b>	—
	<b>2,058</b>	2,619

Note: They were written back after the time bar has elapsed.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 10. (LOSS)/PROFIT BEFORE TAX

	2021 HK\$'000	2020 HK\$'000 (Restated)
Auditors' remuneration		
— audit services	800	775
— tax and other services	—	252
	<b>800</b>	1,027
Depreciation of property, plant and equipment	<b>888</b>	886
Depreciation of right-of-use assets included in:		
— cost of services	592	554
— administrative expenses	11,485	11,069
	<b>12,077</b>	11,623
Impairment losses on trade receivables (Note 1)	<b>2,526</b>	2,032
Impairment losses on contract assets (Note 1)	<b>33</b>	1,597
Property, plant and equipment written off (Note 1)	—	6
	<b>18,238</b>	17,754
Salaries and allowances (excluding directors' remuneration)	<b>782</b>	750
Contributions to MPF Scheme (Note 2)		
	<b>19,020</b>	18,504
Interest on lease liabilities included in:		
— cost of services	104	123
— finance costs	511	1,051
	<b>615</b>	1,174
Expenses relating to short-term leases	—	437

Note 1: Included in administrative expenses.

Note 2: There is no contributions forfeited by the Group that may be used by the Group to reduce the existing level of contribution.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 11. DIRECTORS' REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance is as follows:

	Year ended 30th September 2021				
	Fees HK\$'000	Salaries, allowances, and benefits in kind HK\$'000	Performance related bonuses HK\$'000	MPF Scheme contributions HK\$'000	Total HK\$'000
<b>Executive directors</b>					
Mr. Chan Tsang Tieh	240	—	—	—	240
Mrs. Donati Chan Yi Mei Amy (also as chief executive)	120	1,704	—	18	1,842
	360	1,704	—	18	2,082
<b>Independent non-executive directors</b>					
Mr. Li Wai Ming	60	—	—	—	60
Mr. Wan Chun Wai Andrew	60	—	—	—	60
Ms. Chan Chiu Yee Natalie	60	—	—	—	60
	180	—	—	—	180
	540	1,704	—	18	2,262

	Year ended 30th September 2020				
	Fees HK\$'000	Salaries, allowances, and benefits in kind HK\$'000	Performance related bonuses HK\$'000	MPF Scheme contributions HK\$'000	Total HK\$'000
<b>Executive directors</b>					
Mr. Chan Tsang Tieh	240	—	—	—	240
Mrs. Donati Chan Yi Mei Amy (also as chief executive)	120	1,384	—	18	1,522
	360	1,384	—	18	1,762
<b>Independent non-executive directors</b>					
Mr. Li Wai Ming	60	—	—	—	60
Mr. Wan Chun Wai Andrew	60	—	—	—	60
Ms. Chan Chiu Yee Natalie	60	—	—	—	60
	180	—	—	—	180
	540	1,384	—	18	1,942

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 11. DIRECTORS' REMUNERATION (Continued)

Other than the independent non-executive directors' emoluments shown above were for their services as director of the Company, the emoluments shown above were for their services in connection with the management of the affairs and as directors of the Company and its subsidiaries, if applicable.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

During the year, no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

## 12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included one (2020: one) director who is also the chief executive, details of whose remuneration are set out in note 11 above. Details of the remuneration for the year of the remaining 4 (2020: 4) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2021 HK\$'000	2020 HK\$'000
Salaries, allowances and benefits in kind	2,423	2,027
MPF Scheme contributions	72	72
	<b>2,495</b>	2,099

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

	2021	2020
Nil to HK\$1,000,000	4	4

During the year, no remuneration was paid by the Group to the non-director and non-chief executive highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 13. INCOME TAX CREDIT

Hong Kong profits tax is calculated at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year.

No provision for Hong Kong profits tax has been made as the Group has available tax losses brought forward from prior years to offset the assessable profits generated during both years.

	<b>2021</b> <b>HK\$'000</b>	2020 HK\$'000
Current — Hong Kong		
Charge for the year	—	—
Over-provision in previous years	<b>(80)</b>	—
	<b>(80)</b>	—

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax credit at the effective tax rate is as follows:

	<b>2021</b> <b>HK\$'000</b>	2020 HK\$'000 (Restated)
(Loss)/profit before tax	<b>(1,809)</b>	11,262
Tax at Hong Kong profits tax rate of 16.5% (2020: 16.5%)	<b>(299)</b>	1,858
Income not subject to tax	<b>(255)</b>	(432)
Expenses not deductible for tax purpose	<b>6</b>	6
Unrecognised temporary differences	<b>19</b>	41
Tax losses utilised	<b>(30)</b>	(1,757)
Tax losses not recognised	<b>559</b>	284
Over-provision in previous years	<b>(80)</b>	—
Tax credit	<b>(80)</b>	—

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 14. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 30th September 2021 (2020: Nil) nor has any dividend been proposed since the end of the reporting period (2020: Nil).

## 15. (LOSS)/EARNINGS PER SHARE

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

	<b>2021</b> <b>HK\$'000</b>	2020 HK\$'000 (Restated)
(Loss)/earnings:		
(Loss)/profit for the year attributable to owners of the Company	<b>(1,729)</b>	11,262
	<b>2021</b> <b>'000</b>	2020 '000
Number of shares:		
Weighted average number of ordinary shares	<b>1,000,000</b>	1,000,000
	<b>HK cents</b>	HK cents (Restated)
Basic and diluted (loss)/earnings per share	<b>(0.17)</b>	1.13

The diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share as the Group had no potentially dilutive ordinary shares in issue during the years ended 30th September 2021 and 2020.





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Office equipment HK\$'000	Computer equipment HK\$'000	Total HK\$'000
<b>Cost:</b>					
At 1st October 2019	6,885	639	837	4,327	12,688
Additions	195	12	43	46	296
Written off	(259)	—	—	—	(259)
At 30th September 2020	6,821	651	880	4,373	12,725
Additions	—	—	41	411	452
Written off	—	(32)	(46)	(926)	(1,004)
<b>At 30th September 2021</b>	<b>6,821</b>	<b>619</b>	<b>875</b>	<b>3,858</b>	<b>12,173</b>
<b>Accumulated depreciation:</b>					
At 1st October 2019	4,708	240	454	3,994	9,396
Charge for the year	550	113	92	131	886
Written back	(253)	—	—	—	(253)
At 30th September 2020	5,005	353	546	4,125	10,029
Charge for the year	537	95	103	153	888
Written back	—	(32)	(46)	(926)	(1,004)
<b>At 30th September 2021</b>	<b>5,542</b>	<b>416</b>	<b>603</b>	<b>3,352</b>	<b>9,913</b>
<b>Net carrying amount:</b>					
<b>At 30th September 2021</b>	<b>1,279</b>	<b>203</b>	<b>272</b>	<b>506</b>	<b>2,260</b>
At 30th September 2020	1,816	298	334	248	2,696

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 17. LEASES

### (i) RIGHT-OF-USE ASSETS

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leased premises HK\$'000	Office equipment HK\$'000	Total HK\$'000
As at 1st October 2019	24,771	804	25,575
Additions	953	1,904	2,857
Depreciation charge for the year	(11,069)	(554)	(11,623)
As at 30th September 2020	14,655	2,154	16,809
Additions	—	52	52
Depreciation charge for the year	(11,485)	(592)	(12,077)
<b>As at 30th September 2021</b>	<b>3,170</b>	<b>1,614</b>	<b>4,784</b>

For both years, the Group leases an office, warehouse and equipment for its operations. Lease contracts for leased premises are entered into for fixed term of 2 to 3 years while lease of equipment generally have lease terms of 5 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The total cash outflow for leases was HK\$12,911,000 (2020: HK\$12,783,000).

#### *Leases committed*

As at 30th September 2021, the Group entered into a new lease that have not yet commenced, with a term of 3 years commencing from 2nd January 2022 to 1st January 2025 for its use as office and principal place of business. The total future undiscounted cash flows over the non-cancellable period amounted to HK\$25,116,000.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 17. LEASES (Continued)

### (ii) LEASE LIABILITIES

The lease liabilities are payable:

	2021 HK\$'000	2020 HK\$'000
<b>Current</b>		
Within one year	3,906	12,290
<b>Non-current</b>		
More than one year but not later than two years	610	3,897
More than two years but not later than five years	500	1,073
	1,110	4,970
	5,016	17,260

The maturity analysis of lease liabilities is disclosed in note 33 to the financial statements.

### (iii) The amount recognised in profit or loss in relation to leases are as follows:

	2021 HK\$'000	2020 HK\$'000
Depreciation of right-of-use assets	12,077	11,623
Interest on lease liabilities	615	1,174
Expense relating to short-term leases	—	437
Total amount recognised in profit or loss	12,692	13,234

### (iv) The incremental borrowing rate applied to lease liabilities was 5.25% (2020: 5.25%).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 18. TRADE RECEIVABLES

	2021 HK\$'000	2020 HK\$'000
Trade receivables		
— contract with customers	<b>20,908</b>	15,923
Less: Allowance for credit losses	<b>(6,550)</b>	(4,024)
	<b>14,358</b>	11,899

As at 1st October 2019, trade receivables from contracts with customers, net of loss allowance, amounted to HK\$18,158,000.

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 ageing analysis of trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2021 HK\$'000	2020 HK\$'000
Within 30 days	<b>10,811</b>	6,756
31 to 60 days	—	49
61 to 90 days	<b>964</b>	1,755
91 to 180 days	<b>2,191</b>	2,924
181 days to 1 year	<b>273</b>	376
Over 1 year	<b>119</b>	39
	<b>14,358</b>	11,899



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 18. TRADE RECEIVABLES (Continued)

The movements in the lifetime ECL for trade receivables are as follows:

	2021 HK\$'000	2020 HK\$'000
At beginning of year	4,024	2,625
Impairment losses recognised	2,526	2,032
Amount written off as uncollectible	—	(633)
At end of year	6,550	4,024

## 19. CONTRACT ASSETS/CONTRACT LIABILITIES

	2021 HK\$'000	2020 HK\$'000 (Restated)
Contract assets	3,312	3,276
Less: allowance for credit losses	(3,019)	(2,986)
Contract assets, net	293	290
Contract liabilities	(8,263)	(6,675)
	(7,970)	(6,385)

### CONTRACT ASSETS

As at 1st October 2019, contract assets amounted to HK\$1,675,000 (restated).

Contract assets are initially recognised for revenue earned from the provision of financial printing services as the receipt of consideration is conditional on the Group's future performance. Upon the rights to consideration become unconditional, the amounts recognised as contract assets are reclassified to trade receivables. The increase in contract assets in 2021 and 2020 was the result of the increase in work completed but the rights to consideration are conditional at the end of the current year.

Typical payment terms which impact on the amount of contract assets recognised are as follows:

The Group's provision of financial printing service contracts include payment schedules which require stage payments over the service period once certain specified milestones are reached. The Group requires certain customers to provide upfront payment range from 10% to 20% of total contract sum as part of its credit risk management policies and this has resulted in a contract liability at early stage of the services.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 19. CONTRACT ASSETS/CONTRACT LIABILITIES (Continued)

### CONTRACT ASSETS (Continued)

The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

During the year ended 30th September 2021, HK\$33,000 (2020: HK\$1,597,000) was recognised as an allowance for ECL on contract assets. The Group's trading terms and credit policy with customers are disclosed in note 18 to the financial statements.

The movements in the lifetime ECL contract assets are as follows:

	<b>2021</b> <b>HK\$'000</b>	2020 HK\$'000 (Restated)
At beginning of year	<b>2,986</b>	1,389
Impairment losses recognised	<b>33</b>	1,597
At end of year	<b>3,019</b>	2,986

### CONTRACT LIABILITIES

	<b>2021</b> <b>HK\$'000</b>	2020 HK\$'000 (Restated)
Provision for financial printing services		
Billings in advance of performance	<b>8,263</b>	6,675

All contract liabilities are expected to be settled within the Group's normal operating cycle, and are classified as current liabilities.

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

When the Group receives an advance payment before the financial printing services commence, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the advance payment.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2021 HK\$'000	2020 HK\$'000
Prepayments	191	205
Rental and other deposits	3,489	3,485
Other receivables	128	475
	<b>3,808</b>	4,165

The financial assets included in the above balances related to receivables for which there were no recent history of default and past due amounts. As at 30th September 2021 and 2020, the loss allowance was assessed to be minimal.

## 21. CASH AND CASH EQUIVALENTS

	2021 HK\$'000	2020 HK\$'000
Cash and bank balances	33,882	37,809
Time deposits	32,026	31,848
Cash and cash equivalents	<b>65,908</b>	69,657

Cash at banks earns interest at floating rates based on daily bank deposit rates. The time deposits are made for periods of not more than 3 months, and earn interest at the respective short term time deposits rates.

## 22. TRADE PAYABLES

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

	2021 HK\$'000	2020 HK\$'000
Within 30 days	2,727	3,691
31 to 60 days	394	458
61 to 90 days	1,073	1,245
91 to 180 days	1,371	2,329
181 days to 1 year	677	988
Over 1 year	1,272	471
	<b>7,514</b>	9,182

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 23. ACCRUALS

	2021 HK\$'000	2020 HK\$'000
Accrued commission	1,270	810
Accrued auditor's remuneration	800	650
Accrued staff bonus	—	600
Others	630	952
	<b>2,700</b>	3,012

## 24. DEFERRED TAX

At the end of the reporting period, deferred tax assets have not been recognised in respect of the following items:

	2021 HK\$'000	2020 HK\$'000 (Restated)
Tax losses	8,162	4,957
Deductible temporary differences in respect of tax depreciation	2,528	2,412
	<b>10,690</b>	7,369

The above tax losses are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

## 25. SHARE CAPITAL

	Number of ordinary shares '000	Share capital HK\$'000
Authorised: Ordinary shares of HK\$0.01 each		
<b>At 1st October 2019, 30th September 2020 and 2021</b>	<b>5,000,000</b>	<b>50,000</b>
Issued and fully paid: At 1st October 2019, 30th September 2020 and 2021	1,000,000	10,000





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 26. RESERVES

### (I) SHARE PREMIUM

The share premium represents the excess of the proceeds received from the capitalisation issue and the initial public offering over the nominal value of the Company's shares issued.

### (II) CAPITAL RESERVE

The capital reserve represents the difference between the cost of investment and the issued share capital of a subsidiary.

### (III) MERGER RESERVE

The merger reserve represents the difference between the nominal value of new shares of the Company issued for the exchange of the issued shares of the subsidiary under a reorganisation and the carrying amount of its share of the subsidiary's own equity items.

## 27. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (A) MAJOR NON-CASH TRANSACTIONS

During the year, the Group recognised right-of-use assets and lease liabilities of HK\$52,000 (2020: HK\$2,857,000) and HK\$52,000 (2020: HK\$2,857,000), respectively, in respect of new lease arrangements for leased premises and office equipment.

### (B) CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities	
	2021 HK\$'000	2020 HK\$'000
At 1st October	17,260	25,575
Changes from financing cash flows	(12,911)	(12,346)
New leases entered	52	2,857
Interest expenses	615	1,174
At 30th September	5,016	17,260

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 28. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Name	Place of incorporation/ operation	Issued/ registered capital	Percentage of equity interest attributable to the Company		Principal activities
			2021	2020	
<b>Directly held:</b>					
Top Achiever Global Limited	British Virgin Islands ("BVI")	United States dollars ("US\$") 1	100%	100%	Investment holding
<b>Indirectly held:</b>					
High Strength Limited	BVI	US\$1,000	100%	100%	Investment holding
High Data Limited	BVI	US\$1,000	100%	100%	Investments holding
EDICO Financial Press Services Limited	Hong Kong ("HK")	HK\$11,080,000	100%	100%	Provision of financial printing services and investment holding
TOD Translation Services Limited	HK	HK\$10,000	100%	100%	Provision of translation services to the Group
Huge Alliance Limited	HK	HK\$500,000	100%	100%	Provision of management service to the Group
ORTUS Solutions Limited	HK	HK\$1	100%	100%	Inactive

## 29. CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 30th September 2021 and 2020.

## 30. RELATED PARTIES TRANSACTIONS

- The Group had no transactions with related parties during the years ended 30th September 2021 and 2020.
- Compensation of key management personnel of the Group.

The remuneration of directors and other members of key management during the year are set out in note 11 and 12 to the consolidated financial statements.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 31. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	2021 HK\$'000	2020 HK\$'000
<b>Financial assets</b>		
At amortised cost	83,883	85,516
<b>Financial liabilities</b>		
At amortised cost	10,214	12,194

## 32. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments were reasonably approximate to their fair values as at 30th September 2021 and 2020.

## 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise trade and other receivables, rental and other deposits, cash and bank balance, short-term bank deposits, trade payables, accruals and lease liabilities.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The directors of the Company review policies for managing and monitoring each of these risks and they are summarised below.

### INTEREST RATE RISK

The Group has no significant interest-bearing assets. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest bearing bank deposits with floating interest rates and lease liabilities. The Group has not used any interest rate swaps to hedge its interest rate risk.

The directors consider there is no expected significant exposure to interest rate risk and hence, no sensitivity analysis is presented.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### FOREIGN CURRENCY RISK

The Group's businesses are located in Hong Kong and all transactions are denominated in HK\$. Most of the Group's assets and liabilities are denominated in HK\$, except for certain trade receivables were denominated in US\$ and certain cash on hand and bank balances were denominated in US\$, Taiwan Dollar, Renminbi and Sterling Pound.

Since HK\$ is pegged to US\$ and bank balances denominated in other foreign currencies were insignificant, the directors consider there is no significant exposure expected on foreign currency transactions and balances and hence, no sensitivity analysis is presented.

### CREDIT RISK

The Group's credit risk is primarily attributable to trade receivables, contract assets, rental and other deposits, other receivables, and cash and bank balances and short-term bank deposits. The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge a contractual obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position at the end of each of the reporting period.

The credit risk for cash and bank balances and short-term bank deposits is considered limited as such amounts are placed in reputable banks with high credit rating assigned by international credit rating agencies.

For other receivables and deposits, the amount receivables are insignificant and the rental deposits are available for netting off its leases payment in case of default by the counterparties. The Group assessed the ECL for other receivables and deposits are insignificant.

In order to minimise the credit risk on trade receivables and contract assets, the management of the Group has delegated a team responsible for determination of credit limits and assessing credit quality of the customers. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. The credit quality of the debtors is assessed based on their financial position, past experience and other factors. The Group has policies in place to ensure credit terms are granted to reliable debtors. In addition, the Group performs impairment assessment at the end of each of the reporting period to ensure that adequate impairment losses are made on trade receivables (on a collective basis) and contract assets (on an individual basis). Impairment of HK\$2,559,000 (2020: HK\$3,629,000) is recognised during the year.

Details of the quantitative disclosures are set out below in this note.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### TRADE RECEIVABLES AND CONTRACT ASSETS

An impairment analysis is performed at each reporting date using a provision matrix within lifetime ECL. The provision rates for the measurement of lifetime ECL of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customers base. The provision rates of trade receivables are based on days past due of trade receivables. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than two years.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix.

#### *Trade receivables*

	Current	Past due				Over 1 year	Total
		1-90 days	91-180 days	181-279 days	280-365 days		
As at 30th September 2021							
Expected credit loss rate	6%	29%	37%	66%	77%	100%	
Gross carrying amount (HK\$'000)	11,507	4,131	476	339	920	3,535	20,908
Expected credit losses (HK\$'000)	695	1,212	175	225	708	3,535	6,550
As at 30th September 2020							
Expected credit loss rate	5%	14%	35%	60%	87%	100%	
Gross carrying amount (HK\$'000)	7,217	5,095	528	503	807	1,773	15,923
Expected credit losses (HK\$'000)	335	728	183	301	704	1,773	4,024

Changes in the loss allowance are mainly due to a number of debtors outstanding more than 1 year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### LIQUIDITY RISK

In the management of liquidity risk, the Group's policy is to regularly monitor current and expected liquidity requirements on the basis of the maturity of both its financial assets and liabilities and to ensure that it maintains sufficient reserves of cash.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on its remaining contractual undiscounted cash flows and the earliest date on which the Group can be required to pay, was as follows:

	2021 HK\$'000	2020 HK\$'000
Within 1 year		
Trade payables	7,514	9,182
Accruals	2,700	3,012
Lease liabilities	4,017	12,904
	<b>14,231</b>	25,098
More than 1 year but less than 2 years		
Lease liabilities	654	4,003
More than 2 years but less than 5 years		
Lease liabilities	516	1,129
	<b>15,401</b>	30,230

## 34. CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, share buy-backs or issue new shares.

The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 30th September 2021 and 2020.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 35. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2021 HK\$'000	2020 HK\$'000
<b>Non-current Asset</b>		
Investment in a subsidiary	—	—
<b>Current Assets</b>		
Prepayments	62	183
Amounts due from subsidiaries	42,872	42,507
Bank balances	4,893	5,436
	47,827	48,126
<b>Current Liability</b>		
Accruals	978	967
<b>Net Current Assets</b>	46,849	47,159
<b>Net Assets</b>	46,849	47,159
<b>Capital and Reserves</b>		
Share capital	10,000	10,000
Reserves	36,849	37,159
<b>Total Equity</b>	46,849	47,159

The Company's statement of financial position was approved and authorised for issue by the board of directors on 28th January 2022 and were signed on its behalf by:

**Mr. Chan Tsang Tieh**  
Director

**Mrs. Donati Chan Yi Mei Amy**  
Director

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 35. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

Movement in the Company's reserves is as follows:

	Share premium HK\$'000 (Note 26(i))	Retained profits HK\$'000	Total HK\$'000
At 1st October 2019	36,735	485	37,220
Loss and total comprehensive expense for the year	—	(61)	(61)
At 30th September 2020	36,735	424	37,159
Loss and total comprehensive expense for the year	—	(310)	(310)
At 30th September 2021	<b>36,735</b>	<b>114</b>	<b>36,849</b>

## 36. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

## 37. EQUITY-SETTLED SHARE OPTION SCHEME OF THE COMPANY

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 16th January 2018 for the primary purpose of providing incentives to directors and eligible employees, and will expire in ten years.

Under the Scheme, the directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to adviser, consultant, service provider, agent, customer, partner or joint-venture partner or any person who, in the absolute discretion of the board of directors, has contributed or may contribute to the Group.

The total number of shares in respect of which options may be granted under the Scheme and any other share option schemes of the Group is not permitted to exceed 100,000,000 shares of the Company. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 37. EQUITY-SETTLED SHARE OPTION SCHEME OF THE COMPANY *(Continued)*

Options granted to substantial shareholders or independent non-executive directors or his/her/its associates (as defined in the Listing Rule), in excess of 0.1% of the Company's share capital and with a value in excess of HK\$5,000,000 based on the closing price of the shares of the Company at the date of grant, must be approved in advance by the Company's shareholders.

Options granted must be taken up within 21 days of the date of grant, upon payment of HK\$1 per option. Options may be exercised at any time during the period determined by the directors of the Company at the time of grant but no later than the 10 anniversary of the date of grant. The exercise price is determined by the directors of the Company, and will not be less than the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share on the date of grant.

There is no option granted since adoption of the Scheme.

# FINANCIAL SUMMARY

## RESULTS

	For the year ended 30th September				
	2021 HK\$'000	2020 HK\$'000 (Restated)	2019 HK\$'000 (Restated)	2018 HK\$'000	2017 HK\$'000
Revenue	<b>57,532</b>	81,971	62,929	90,611	84,155
Cost of services	<b>(27,944)</b>	(37,634)	(35,533)	(44,451)	(35,264)
Gross profit	<b>29,588</b>	44,337	27,396	46,160	48,891
Other income	<b>2,058</b>	2,619	843	226	47
Selling expenses	<b>(3,625)</b>	(2,690)	(4,045)	(4,351)	(3,861)
Administrative expenses	<b>(29,319)</b>	(31,953)	(34,223)	(34,736)	(31,511)
Finance costs	<b>(511)</b>	(1,051)	—	—	—
(Loss)/profit before tax	<b>(1,809)</b>	11,262	(10,029)	7,299	13,566
Income tax credit/(expense)	<b>80</b>	—	50	(2,562)	(3,350)
(Loss)/profit and total comprehensive (expense)/income for the year attributable to owners of the Company	<b>(1,729)</b>	11,262	(9,979)	4,737	10,216
		<b>As at 30th September</b>			
	2021 HK\$'000	2020 HK\$'000 (Restated)	2019 HK\$'000 (Restated)	2018 HK\$'000	2017 HK\$'000
<b>Assets and Liabilities</b>					
Total assets	<b>91,411</b>	105,776	100,374	104,042	55,346
Total liabilities	<b>23,493</b>	36,129	41,989	18,760	16,536
Total capital and reserves	<b>67,918</b>	69,647	58,385	85,282	38,810

The financial information for the years ended 30th September 2017 were extracted from the prospectus of the Company dated 23rd January 2018. Such summary was prepared as if the current structure of the Group had been in existence throughout these financial years.



# Hold the Vision, Trust the Process

8/F., Wheelock House, 20 Pedder Street, Central, Hong Kong  
香港中環畢打街 20 號會德豐大廈 8 樓

Website 網站 : <http://www.edico.com.hk>

