

EDICO Holdings Limited

鉅京控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

Stock code : 8450

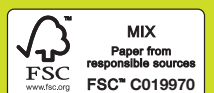
Interim Report 2021/2022



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Go to bed with satisfaction



* For identification purpose only





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

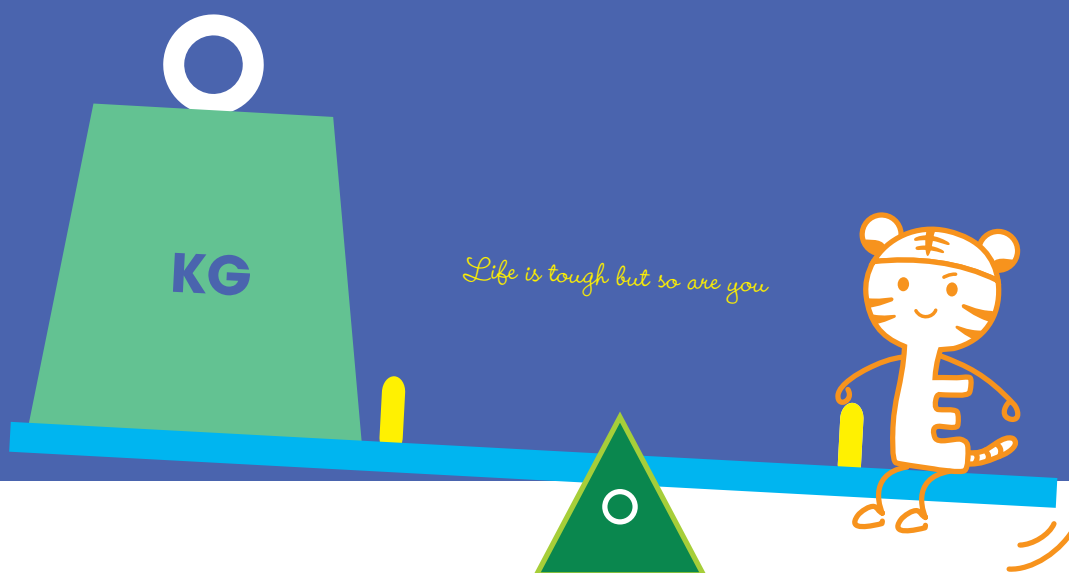
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This report, for which the directors of EDICO Holdings Limited (the “**Company**” and the “**Directors**”, respectively) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the 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.





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FINANCIAL HIGHLIGHTS



The Group's unaudited revenue for the six months ended 31st March 2022 amounted to approximately HK\$13.8 million, decreased by approximately 35.3% as compared to that of the same period in 2021.



The Group's unaudited gross profit for the six months ended 31st March 2022 amounted to approximately HK\$5.2 million, decreased by approximately 50.0% as compared to that of the same period in 2021.



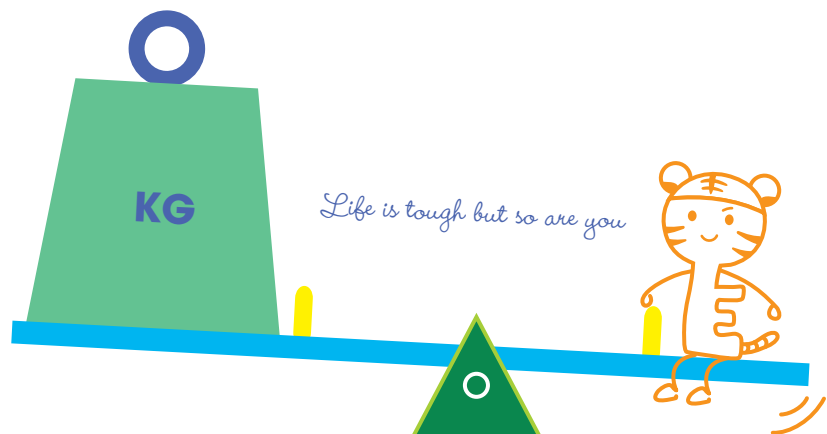
The Group recorded an unaudited net loss of approximately HK\$9.1 million and approximately HK\$2.9 million (restated) for the six months ended 31st March 2022 and 2021 respectively.



The basic loss per share for the six months ended 31st March 2022 was HK0.91 cent (six months ended 31st March 2021 (restated) : HK0.29 cent).



The board of Directors (the "**Board**") has resolved not to declare the payment of any dividend for the six months ended 31st March 2022 (six months ended 31st March 2021: HK\$Nil).



INTERIM RESULTS

The Board announces the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively the “**Group**”) for the six months and three months ended 31st March 2022, together with the relevant comparative unaudited/audited figures.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 31st March 2022

	Note	For the three months ended 31st March		For the six months ended 31st March	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited and restated)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited and restated)
Revenue	4	6,242	7,897	13,765	21,269
Cost of services		(4,008)	(4,593)	(8,587)	(10,921)
Gross profit		2,234	3,304	5,178	10,348
Other income		99	25	127	1,063
Selling expenses		(797)	(545)	(1,564)	(1,188)
Administrative expenses		(6,111)	(6,366)	(12,495)	(12,836)
Finance costs		(330)	(147)	(360)	(332)
Loss before tax		(4,905)	(3,729)	(9,114)	(2,945)
Income tax credit	6	—	80	—	80
Loss and total comprehensive loss for the period attributable to the owners of the Company	7	(4,905)	(3,649)	(9,114)	(2,865)
		HK cent	HK cent	HK cent	HK cent
Loss per share					
Basic and diluted	9	(0.49)	(0.36)	(0.91)	(0.29)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March 2022

	Note	As at 31st March 2022 HK\$'000 (Unaudited)	As at 30th September 2021 HK\$'000 (Audited)
Non-current Assets			
Property, plant and equipment	10	1,810	2,260
Right-of-use assets	11	22,029	4,784
Total Non-current Assets		23,839	7,044
Current Assets			
Trade receivables	12	8,103	14,358
Contract assets		638	293
Prepayments, deposits and other receivables		2,921	3,808
Cash and cash equivalents		62,391	65,908
Total Current Assets		74,053	84,367
Current Liabilities			
Trade payables	13	3,496	7,514
Contract liabilities		11,085	8,263
Accruals		608	2,700
Lease liabilities	11	8,505	3,906
Total Current Liabilities		23,694	22,383
Net Current Assets		50,359	61,984
Total Assets less Current Liabilities		74,198	69,028
Non-current Liability			
Lease liabilities	11	15,394	1,110
Net Assets		58,804	67,918
Capital and Reserves			
Share capital	14	10,000	10,000
Reserves		48,804	57,918
Total Equity		58,804	67,918

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31st March 2022

	Share Capital HK\$'000	Share Premium HK\$'000	Capital Reserve HK\$'000	Merger Reserve HK\$'000	Retained Profits HK\$'000	Total HK\$'000
(Unaudited)						
As at 1st October 2021	10,000	36,735	5,074	16	16,093	67,918
Loss and total comprehensive loss for the period	—	—	—	—	(9,114)	(9,114)
As at 31st March 2022	10,000	36,735	5,074	16	6,979	58,804
(Unaudited and restated)						
As at 1st October 2020	10,000	36,735	5,074	16	17,822	69,647
Loss and total comprehensive loss for the period	—	—	—	—	(2,865)	(2,865)
As at 31st March 2021	10,000	36,735	5,074	16	14,957	66,782

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31st March 2022

	Six months ended 31st March	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited and restated)
Net cash from operating activities	1,981	2,133
Cash Flows from Investing Activities		
Interest received	55	112
Purchase of property, plant and equipment	—	(378)
Net cash from/(used in) investing activities	55	(266)
Cash Flows from Financing Activities		
Repayments of interest element of lease liabilities	(401)	(387)
Repayments of principal element of lease liabilities	(5,152)	(6,066)
Net cash used in financing activities	(5,553)	(6,453)
Net decrease in cash and cash equivalents	(3,517)	(4,586)
Cash and cash equivalents at the beginning of the period	65,908	69,657
Cash and cash equivalents at the end of the period	62,391	65,071



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31st March 2022

1. GENERAL INFORMATION

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

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

The unaudited condensed consolidated financial statements of the Group for the six months ended 31st March 2022 (the “**Unaudited Condensed Consolidated Financial Statements**”) are presented in Hong Kong Dollars (“**HKS**”) which is also the functional currency of the Company and all values are rounded to the nearest thousand (“**HKS’000**”) unless otherwise stated.

2. BASIS OF PREPARATION

The Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM.

The accounting policies and methods of computation used in the preparation of the Unaudited Condensed Consolidated Financial Statements are consistent with those adopted in preparing the annual financial statements of the Group for the year ended 30th September 2021.

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

On 1st October 2021, the Group adopted all the amendments and to Hong Kong Financial Reporting Standards (“**HKFRSs**”) that were relevant to the Group and were effective from that date. The adoption of these amendments to HKFRSs, does not result in changes to the Group’s accounting policies and has no material effect on the amounts reported for the current or prior period.

3. APPLICATION OF NEW AND REVISED HKFRSs

The Group has not early applied any new and amendments to HKFRSs that have been issued but are not yet effective for the current period, and the Directors anticipate that their application will have no material impact on the consolidated financial statements of the Group in the foreseeable future.

4. REVENUE

The following is an analysis of the Group's revenue from its provision of financial printing services during the three and six months ended 31st March 2021 and 2022:

	For the three months ended 31st March		For the six months ended 31st March	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited) and (Restated)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited) and (Restated)
Listing-related documents	1,915	3,661	3,676	11,056
Periodical reporting documents	943	942	3,151	3,360
Compliance documents	2,965	2,855	6,381	6,337
Miscellaneous and marketing collaterals (Note)	419	439	557	516
	6,242	7,897	13,765	21,269

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

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 performance obligations as at the end of the reporting period under the contracts that had an original expected duration of one year or less.

5. SEGMENT INFORMATION

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

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

6. INCOME TAX CREDIT

	For the three months ended 31st March		For the six months ended 31st March	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited) and (Restated)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited) and (Restated)
Current tax:				
Over-provision in previous period	—	80	—	80

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

No provision of Hong Kong profits tax has been made in the Unaudited Condensed Consolidated Financial Statements as the Group had no assessable profits for the period under review or had available tax losses brought forward from prior years to offset the assessable profits generated during the period under review.

7. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	For the three months ended 31st March		For the six months ended 31st March	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Employee benefits expense (including Directors' emoluments):				
Salaries and allowances	5,462	4,444	10,601	9,056
Pension scheme contributions	214	199	422	379
	5,676	4,643	11,023	9,435
Depreciation of property, plant and equipment included in administrative expenses	218	217	450	431
Depreciation of right-of-use assets included in cost of services	146	148	295	294
Depreciation of right-of-use assets included in administrative expenses	1,986	2,872	4,857	5,743
Finance costs — interest on lease liabilities included in cost of services	19	27	41	55
Finance costs — interest on lease liabilities included in finance costs	330	147	360	332

8. DIVIDENDS

The Board has resolved not to declare the payment of any dividend for the six months ended 31st March 2022 (six months ended 31st March 2021: HK\$Nil).

9. LOSS PER SHARE

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

	For the three months ended 31st March		For the six months ended 31st March	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited) and (Restated)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited) and (Restated)
Loss:				
Loss for the period attributable to owners of the Company for the purpose of calculating basic and diluted loss per share	(4,905)	(3,649)	(9,114)	(2,865)
	2022 '000	2021 '000	2022 '000	2021 '000
Number of shares:				
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	1,000,000	1,000,000	1,000,000	1,000,000
	HK cent	HK cent	HK cent	HK cent
Basic and diluted loss per share	(0.49)	(0.36)	(0.91)	(0.29)

The diluted loss per share is equal to the basic loss per share as there were no potentially dilutive ordinary shares in issue during the periods.

10. PROPERTY, PLANT AND EQUIPMENT

For the six months ended 31st March 2022, the Group did not acquire or dispose any plant and equipment (six months ended 31st March 2021: acquisition of HK\$378,000).

11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

RIGHT-OF-USE ASSETS

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

	Leased premises HK\$'000	Office equipment HK\$'000	Total HK\$'000
As at 1st October 2021 (Audited)	3,170	1,614	4,784
Additions	22,397	—	22,397
Depreciation charge for the period	(4,857)	(295)	(5,152)
As at 31st March 2022 (Unaudited)	20,710	1,319	22,029
As at 1st October 2020 (Audited)	14,655	2,154	16,809
Additions	—	53	53
Depreciation charge for the period	(5,743)	(294)	(6,037)
As at 31st March 2021 (Unaudited)	8,912	1,913	10,825

For both periods, the Group leases its office, warehouse and equipment for its operations. Lease contracts for leased premises are entered into for fixed term of 2 to 3 years while the lease of equipment has a lease term 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. 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.

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

LEASE LIABILITIES

The lease liabilities are payable:

	As at 31st March 2022 HK\$'000 (Unaudited)	As at 30th September 2021 HK\$'000 (Audited)
Current		
Within one year	8,505	3,906
Non-current		
More than one year but not later than two years	8,709	610
More than two years but not later than five years	6,685	500
	15,394	1,110
	23,899	5,016

The total cash outflow for leases for the six months ended 31st March 2022 was approximately HK\$5,553,000 (six months ended 31st March 2021: HK\$6,453,000).

AMOUNT RECOGNISED IN PROFIT OR LOSS

	For the three months ended 31st March		For the six months ended 31st March	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Depreciation of right-of-use assets	2,132	3,020	5,152	6,037
Interest on lease liabilities	349	174	401	387

The incremental borrowing rate applied to lease liabilities was 5.25% (six months ended 31st March 2021: 5.25%)

12. TRADE RECEIVABLES

	As at 31st March 2022 HK\$'000 (Unaudited)	As at 30th September 2021 HK\$'000 (Audited)
Trade receivables, gross	14,653	20,908
Less: Allowance for credit losses	(6,550)	(6,550)
	8,103	14,358

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

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

	As at 31st March 2022 HK\$'000 (Unaudited)	As at 30th September 2021 HK\$'000 (Audited)
Within 30 days	4,110	10,811
31 to 60 days	1,711	—
61 to 90 days	1,638	964
91 to 180 days	644	2,191
181 days to one year	—	273
Over one year	—	119
	8,103	14,358

13. TRADE PAYABLES

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

	As at 31st March 2022 HK\$'000 (Unaudited)	As at 30th September 2021 HK\$'000 (Audited)
Within 30 days	434	2,727
31 to 60 days	191	394
61 to 90 days	436	1,073
91 to 180 days	481	1,371
181 days to one year	1,124	677
Over one year	830	1,272
	3,496	7,514

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

14. SHARE CAPITAL

	Number of ordinary shares	Share capital HK\$
Authorised ordinary shares of HK\$0.01 each As at 30th September 2021 and 31st March 2022	5,000,000,000	50,000,000
Issued and fully paid ordinary shares of HK\$0.01 each As at 30th September 2021 and 31st March 2022	1,000,000,000	10,000,000



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

During the six months ended 31st March 2022, the revenue of the Group decreased by approximately 35.2% as compared to that of the same period of last year, which was mainly attributable to the decrease in revenue generated from printing the listing-related documents of approximately HK\$7.4 million from approximately HK\$11.1 million (restated) for the six months ended 31st March 2021 to approximately HK\$3.7 million for the six months ended 31st March 2022, whereas the revenue from printing (i) periodical reporting documents, (ii) compliance documents and (iii) miscellaneous and marketing collaterals are relatively stable for the period.

Looking ahead, we believe the capital market is expected to gradually warm up in 2022. Facing normalisation of COVID-19 prevention and remain positive amidst of Hong Kong's initial public offering ("IPO") market is expected to be strong and active in 2022, and the introduction of Hong Kong SPAC listing framework will be another attractive route to list in Hong Kong and that would foster the demand for financial printing services. We will further explore more opportunities in new and innovative industries from Greater China and Southeast Asia for further business development. Furthermore, the Company will continue to monitor and actively respond to both internal and external changes in economic condition and business environment. Most importantly, we will continue to maintain our premium services model to our trusted customers in all times. 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 are doing all we can to keep everyone safe by following all the pandemic prevention measure 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.

FINANCIAL REVIEW

REVENUE

The Group's revenue decreased from approximately HK\$21.3 million (restated) for the six months ended 31st March 2021 to approximately HK\$13.8 million for the six months ended 31st March 2022, representing a decrease of approximately 35.2%. Revenue generated from printing the listing-related documents decreased by approximately HK\$7.4 million whereas revenue related to printing periodical reporting documents, compliance documents and miscellaneous and marketing collaterals are relatively stable as compared to the same period last year. The decrease in revenue was mainly attributable to the delays and cancellations of certain projects during the six months ended 31st March 2022.

COST OF SERVICES

The Group's cost of services mainly included translation cost, printing cost and staff cost, which represented approximately 14.9%, 14.5% and 55.1%, respectively of the Group's total cost of services for the six months ended 31st March 2022. The Group's cost of services decreased from approximately HK\$10.9 million for the six months ended 31st March 2021 to approximately HK\$8.6 million for the six months ended 31st March 2022, representing an decrease of approximately 21.1%. The decrease in cost of services was generally in line with the decrease of the Group's revenue during the period under review.



GROSS PROFIT

The Group's gross profit decreased from approximately HK\$10.3 million for the six months ended 31st March 2021 to approximately HK\$5.2 million for the six months ended 31st March 2022, representing an decrease of approximately 49.5%. The decrease was generally in line with the decrease of the Group's revenue during the period under review.

OTHER INCOME

The Group's other income decreased from HK\$1.1 million for the six months ended 31st March 2021 to HK\$0.1 million for the six months ended 31st March 2022. The change was mainly attributable to the receipt of one-off subsidies from the Employment Support Scheme under the Anti-epidemic Fund granted by the Government of the Hong Kong Special Administrative Region during the six months ended 31st March 2021.

SELLING EXPENSES

The Group's selling expenses increased from approximately HK\$1.2 million for the six months ended 31st March 2021 to HK\$1.6 million for the six months ended 31st March 2022. The increase was mainly attributable to the increase in staff cost.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses are relatively stable and slightly decreased from approximately HK\$12.8 million for the six months ended 31st March 2021 to approximately HK\$12.5 million for the six months ended 31st March 2022.

FINANCE COSTS

The Group's finance costs represented interest on lease liabilities for the six months ended 31st March 2021 and six months ended 31st March 2022 under HKFRS 16.

INCOME TAX EXPENSE

There was no income tax expense for the Group for the six months ended 31st March 2022 as the Group had no assessable profits for the period under review or available tax losses brought forward from prior years (six months ended 31st March 2021: Income tax credit of prior period represented over-provision for income tax in previous period).

LOSS FOR THE PERIOD

The Group recorded a loss for the period of approximately HK\$9.1 million for the six months ended 31st March 2022 as compared with that of approximately HK\$2.9 million (restated) for the six months ended 31st March 2021. The change was primarily due to the decrease of the Group's revenue during the six months ended 31st March 2022.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31st March 2022 our Group had cash and bank balances and time deposits of approximately HK\$62.4 million (30th September 2021: HK\$65.9 million) and did not have any bank borrowings (30th September 2021: HK\$Nil).

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

As at 31st March 2022, our Group's current assets amounted to approximately HK\$74.1 million (30th September 2021: HK\$84.4 million) and current liabilities amounted to approximately HK\$23.7 million (30th September 2021: HK\$22.4 million). Current ratio (calculated by dividing current assets by current liabilities) was 3.1 times as at 31st March 2022 (30th September 2021: 3.8 times).

CAPITAL EXPENDITURE

For the six months ended 31st March 2022, our capital expenditure amounted to HK\$Nil.

USE OF NET PROCEEDS FROM THE LISTING

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

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

Intended application of the Net Proceeds	Total expenditure of the planned applications (Note 1) (HK\$ million)	Planned use of Net Proceeds (Note 2) (HK\$ million)	Actual usage		Unutilised Net Proceeds as at 31st March 2022 (HK\$ million)
			from the Listing Date and up to 30th September 2021 (HK\$ million)	Actual usage for the six months ended 31st March 2022 (HK\$ million)	
Upgrading the Central Office (Note 3) and setting up a new office	18.6	13.9	4.9	0.4	8.6
Expanding the workforce	10.0	7.5	7.5	—	—
Upgrading and acquiring equipment and software	6.0	4.5	2.3	0.1	2.1

Notes:

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

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

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL PROGRESS

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

Business objectives as set out in the Prospectus	Actual progress up to 31st March 2022
— Upgrading the Central Office and setting up a new office (<i>Note</i>)	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 (<i>Note</i>)	The Group has recruited additional staff to join the sales, services and operations departments.
— Upgrading and acquiring equipment and software (<i>Note</i>)	The Group has upgraded its computer, email system and existing server configuration, and acquired conference rooms' facilities for serving its customers.

Note: Reference is made to the Prospectus under the section headed "Use of Proceeds". It is disclosed that the Company planned to utilise a portion of the Net Proceeds for setting up a new office which (i) was to replace the office located at New Kowloon Plaza, West Kowloon, Hong Kong (the "Kowloon Office") upon 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 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.

GEARING RATIO

Gearing ratio is calculated as net debt (comprising contract liabilities, trade payables, accruals, and lease liabilities, less cash and cash equivalents) at the end of the respective period divided by total equity. Gearing ratio was not applicable to the Group as at 31st March 2022 and 30th September 2021 as the Group did not have net debt on both dates.



FOREIGN CURRENCY EXPOSURE

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

CAPITAL COMMITMENTS

As at 31st March 2022, the Group had no material outstanding capital commitments. Apart from the implementation plans, capital needs and financing plans as stated in the sections headed "Future Plans and Use of Proceeds" and "Financial Information" of the Prospectus, the Group had no other new implementation plans or financing plans.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 31st March 2022 (31st March 2021: HK\$Nil).

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There was no acquisition or disposal of subsidiaries, associates and joint ventures by the Group during the six months ended 31st March 2022.

SIGNIFICANT INVESTMENTS

As at 31st March 2022, the Group did not hold any significant investments or capital assets.

CHARGES ON THE GROUP'S ASSETS

As at 31st March 2022, the Group had no charges on the Group's assets.

EMPLOYEES AND REMUNERATION POLICIES

As at 31st March 2022, the Group had a total headcount of 55 full-time employees (31st March 2021: 59 full-time employees). The Group's employee benefit expenses mainly include salaries, wages, discretionary bonus, other staff benefits and contributions to retirement schemes. Remuneration is determined by reference to the market conditions and the performance, qualification and experience of individual employee.

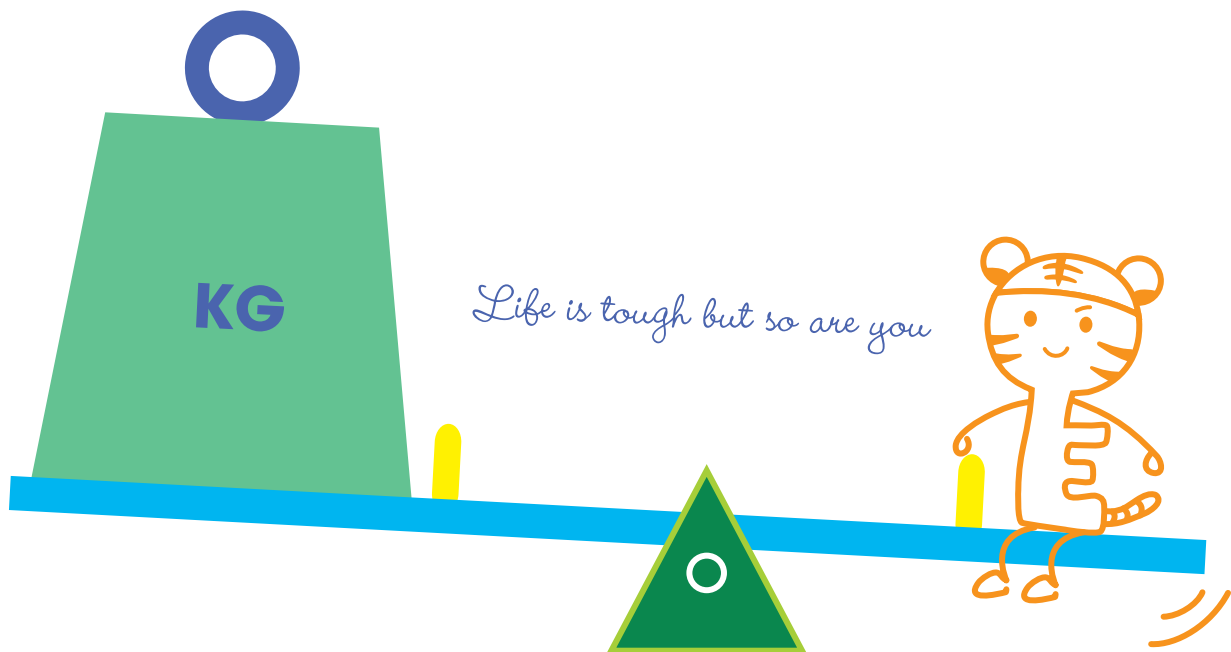
Furthermore, the Company has adopted a share option scheme as an incentive or reward for the eligible participants for their contribution to the Group, and provides continuous training to its employees to improve their skills and develop their potential.

DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended 31st March 2022 (six months ended 31st March 2021: HK\$Nil).

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant events requiring disclosure that have occurred after 31st March 2022 and up to the date of this report.



CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE OF INTERESTS

(A) INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31st March 2022, 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 (<i>Note</i>)	Interest in a controlled corporation	Corporate interest	560,000,000	56%

Note: The Company is owned as to 56% by Achiever Choice which is wholly owned by Mr. Chan, the Chairman and an executive Director. Under the SFO, Mr. Chan is deemed to be interested in the same parcel of Shares held by Achiever Choice.

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 31st March 2022, 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.

(B) INTERESTS OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

As at 31st March 2022, so far as is known to the Directors, the person and entity (not being a Director or the chief executive of the Company) had, or were 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 were 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 (<i>Note</i>)	Beneficial owner	Personal interest	560,000,000	56%
Yuen Sin Yee Claudia	Beneficial owner	Personal interest	192,200,000	19%

Note: Achiever Choice is the beneficial owner of 560,000,000 Shares, representing 56% of the Company's issued share capital. Achiever Choice is wholly owned by Mr. Chan.

Save as disclosed above and so far as is known to the Directors, as at 31st March 2022, 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 of the Company (the “**Share Option Scheme**”) was approved and conditionally adopted by the then sole Shareholder by way of written resolutions on 16th January 2018. The Share Option Scheme became effective on the Listing Date. For the principal terms of the Share Option Scheme, please refer to “D. Share Option Scheme” in Appendix IV to the Prospectus.

As no share options have been granted by the Company under the Share Option Scheme since its adoption, there was no share option outstanding as at 31st March 2022 and no share options were exercised or cancelled or lapsed during the six months ended that date.

COMPETING INTERESTS

None of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company or any of their respective close associates (as defined in the GEM Listing Rules) had any business or interest in a business that competed or might compete with the business of the Group and had or might have any other conflicts of interest with the Group during the six months ended 31st March 2022.



CORPORATE GOVERNANCE CODE

The Company endeavours to adopt prevailing best corporate governance practices. During the six months ended 31st March 2022, the Company had complied with all the code provisions of the Corporate Governance Code as contained in Appendix 15 to the GEM Listing Rules.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Required Standard of Dealings**”) as its own code of conduct governing the securities transactions by the Directors. The Company had made specific enquiries of all the Directors and each of them has confirmed that he/she had complied with the Required Standard of Dealings during the six months ended 31st March 2022.

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

During the six months ended 31st March 2022, the Company did not redeem any of its listed securities, nor did the Company and any of its subsidiaries purchase or sell such securities.

AUDIT COMMITTEE

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

The Audit Committee has reviewed the unaudited condensed consolidated results of the Group for the six months ended 31st March 2022 and this report and is of the opinion that such results have been prepared in compliance with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

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

Hong Kong, 11th May 2022

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