

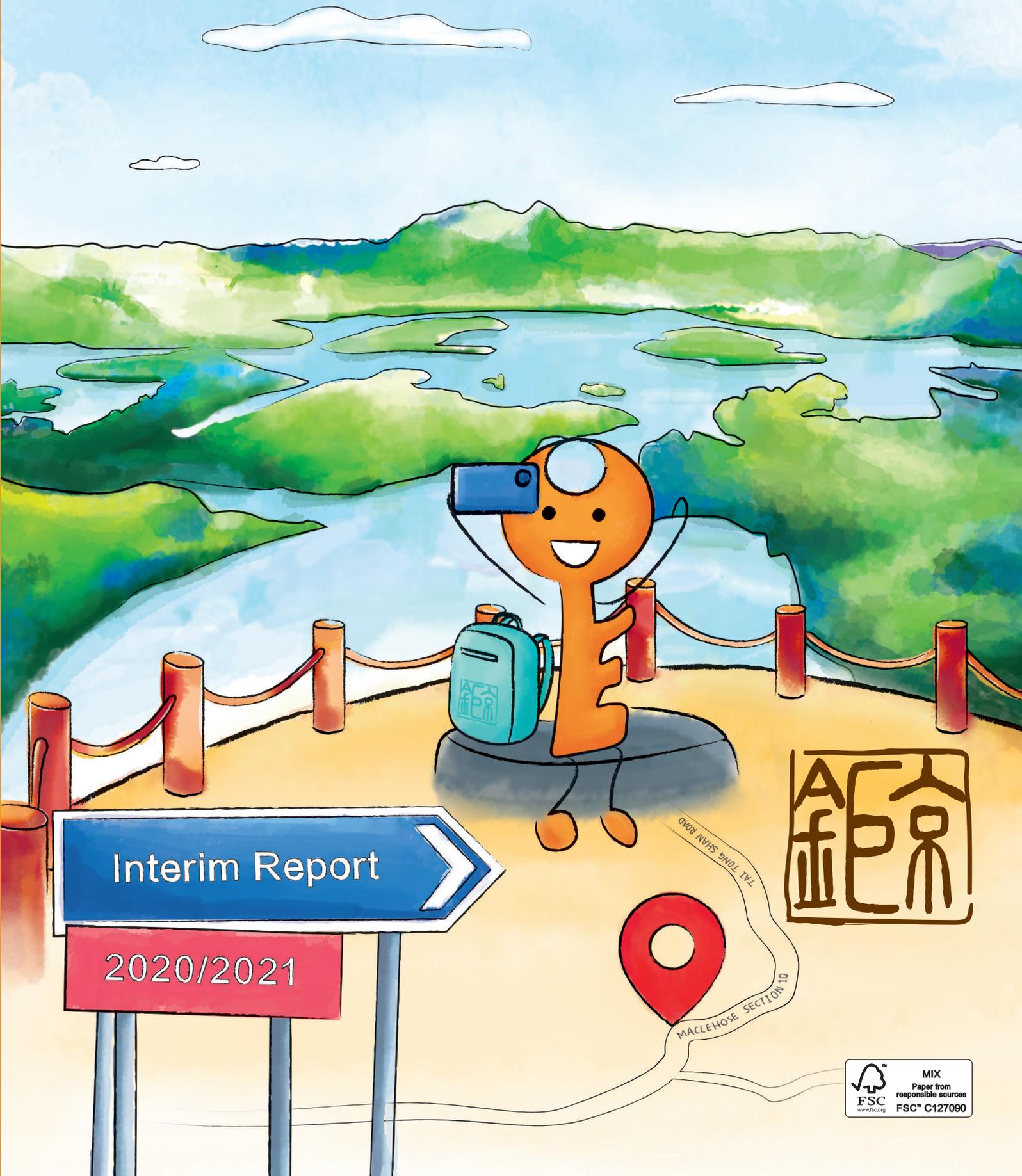
EDICO Holdings Limited

鉅京控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

Stock code : 8450

* For identification purpose only



Interim Report

2020/2021

鉅京



TAI TONG SHAN ROAD
MACLEHOSE SECTION 10

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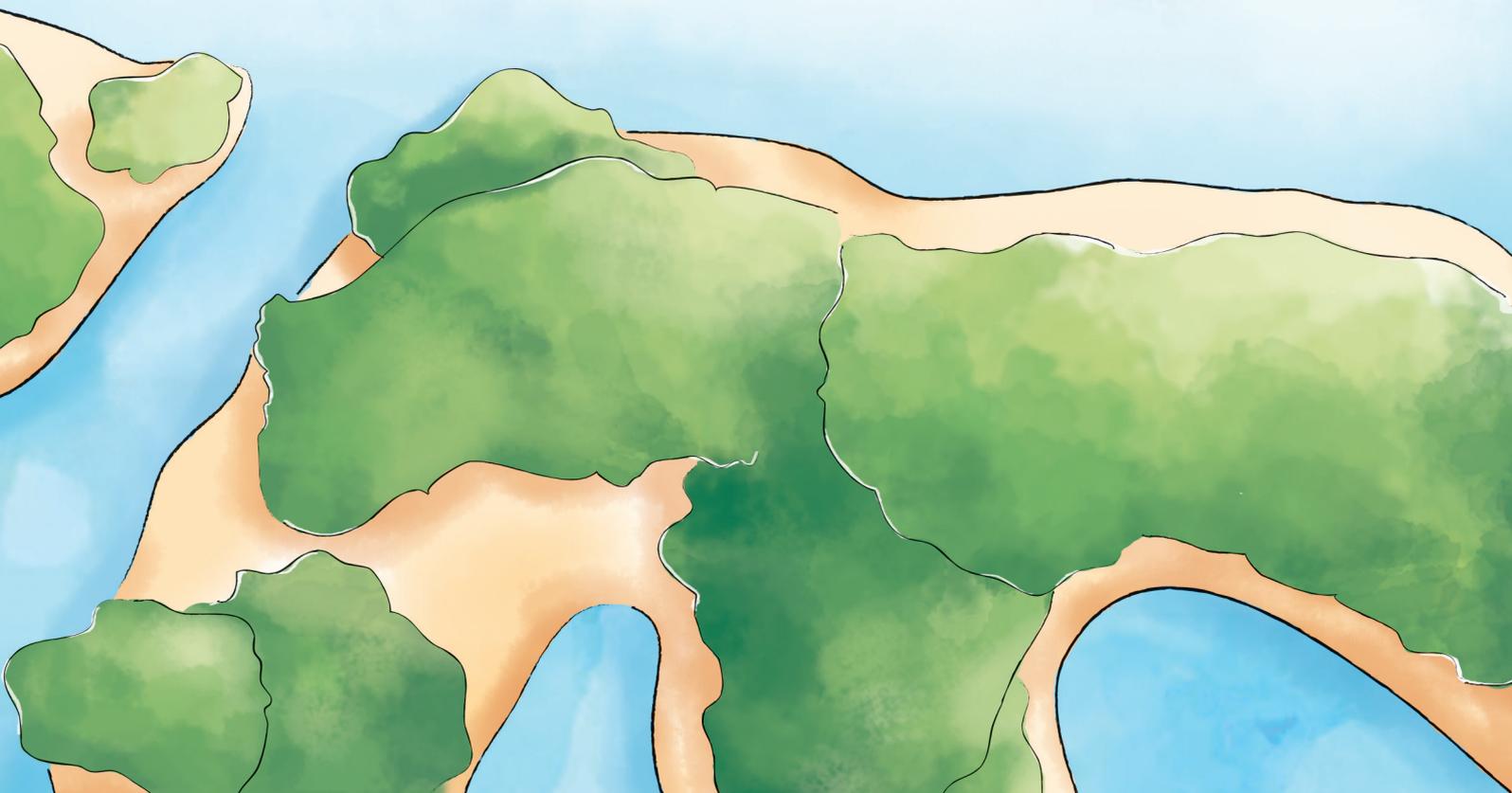
CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE" AND THE "GEM", RESPECTIVELY)

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

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This report, for which the directors of EDICO Holdings Limited (the "**Company**" and the "**Directors**", respectively) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM 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 2021 amounted to approximately HK\$21.6 million, decreased by approximately 22.9% as compared to that of the same period in 2020.

 The Group's unaudited gross profit for the six months ended 31st March 2021 amounted to approximately HK\$10.7 million, decreased by approximately 24.1% as compared to that of the same period in 2020.

 The Group recorded an unaudited net loss of approximately HK\$2.6 million and approximately HK\$1 million for the six months ended 31st March 2021 and 2020 respectively.

 The basic loss per share for the six months ended 31st March 2021 was HK0.26 cent (six months ended 31st March 2020: HK0.10 cent).

 The board of Directors (the "**Board**") has resolved not to declare the payment of any dividend for the six months ended 31st March 2021 (six months ended 31st March 2020: 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 2021, 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 2021

	Note	For the three months ended 31st March		For the six months ended 31st March	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue	4	7,578	16,056	21,572	27,998
Cost of services		(4,593)	(7,869)	(10,921)	(13,930)
Gross profit		2,985	8,187	10,651	14,068
Other income		25	324	1,063	368
Selling and distribution expenses		(545)	(380)	(1,188)	(1,016)
Administrative expenses		(6,366)	(6,810)	(12,836)	(13,786)
Finance costs		(147)	(279)	(332)	(593)
(Loss)/Profit before tax		(4,048)	1,042	(2,642)	(959)
Income tax credit	6	80	—	80	—
(Loss)/Profit and total comprehensive loss for the period attributable to the owners of the Company	7	(3,968)	1,042	(2,562)	(959)
		HK cent	HK cent	HK cent	HK cent
(Loss)/Earnings per share					
Basic and diluted	9	(0.4)	0.10	(0.26)	(0.10)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March 2021

	Note	As at 31st March 2021 HK\$'000 (Unaudited)	As at 30th September 2020 HK\$'000 (Audited)
Non-current Assets			
Property, plant and equipment	10	2,643	2,696
Right-of-use assets	11	10,825	16,809
Total Non-current Assets		13,468	19,505
Current Assets			
Contract assets		3,075	2,428
Trade receivables	12	8,305	11,899
Prepayments and deposits		3,640	4,165
Income tax recoverable		—	260
Cash and bank balances and time deposits		65,071	69,657
Total Current Assets		80,091	88,409
Current Liabilities			
Contract liabilities		6,568	5,624
Trade payables	13	4,930	9,182
Lease liabilities	11	9,687	12,290
Accruals		540	3,012
Total Current Liabilities		21,725	30,108
Net Current Assets		58,366	58,301
Total Assets less Current Liabilities		71,834	77,806
Non-current Liabilities			
Lease liabilities	11	1,560	4,970
Net Assets		70,274	72,836
Capital and Reserves			
Equity attributable to owners of the Company			
Share capital	14	10,000	10,000
Reserves		60,274	62,836
Total Equity		70,274	72,836

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31st March 2021

	Attributable to owners of the Company					Total HK\$'000
	Share Capital HK\$'000 (Note i)	Share Premium HK\$'000 (Note ii)	Capital Reserve HK\$'000 (Note iii)	Merger Reserve HK\$'000 (Note iv)	Retained Earnings HK\$'000	
As at 1st October 2020 (audited)	10,000	36,735	5,074	16	21,011	72,836
Loss and total comprehensive loss for the period	—	—	—	—	(2,562)	(2,562)
As at 31st March 2021 (unaudited)	10,000	36,735	5,074	16	18,449	70,274
As at 1st October 2019 (audited)	10,000	36,735	5,074	16	16,914	68,739
Loss and total comprehensive loss for the period	—	—	—	—	(959)	(959)
As at 31st March 2020 (unaudited)	10,000	36,735	5,074	16	15,955	67,780

Notes:

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31st March 2021

	Six months ended 31st March	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Net cash from operating activities	2,133	8,557
Cash Flows from Investing Activities		
Interest received	112	368
Purchase of property, plant and equipment	(378)	—
Net cash (used in)/from investing activities	(266)	368
Cash Flows from Financing Activities		
Repayment of interest element of lease liabilities	(387)	—
Repayment of principal element of lease liabilities	(6,066)	(5,848)
Net cash used in financing activities	(6,453)	(5,848)
Net (decrease)/increase in cash and cash equivalents	(4,586)	3,077
Cash and cash equivalents at the beginning of the period	69,657	47,399
Cash and cash equivalents at the end of the period	65,071	50,476

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31st March 2021

1. GENERAL INFORMATION

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

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

The unaudited condensed consolidated financial statements of the Group for the six months ended 31st March 2021 (the “**Unaudited Condensed Consolidated Financial Statements**”) are presented in Hong Kong Dollars (“**HK\$**”) which is also the functional currency of the Company and all values are rounded to the nearest thousand (“**HK\$’000**”) unless otherwise stated.

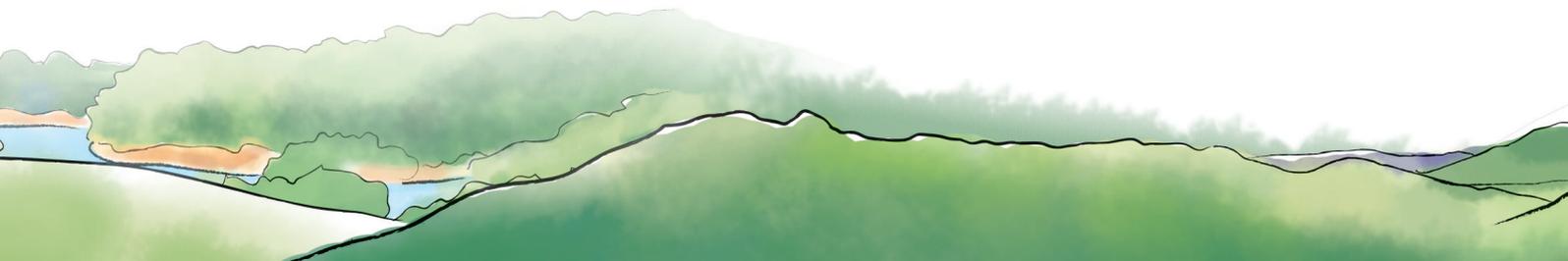
2. BASIS OF PREPARATION

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

The accounting policies and methods of computation used in the preparation of the Unaudited Condensed Consolidated Financial Statements are consistent with those adopted in preparing the annual financial statements of the Group for the year ended 30th September 2020.

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

On 1st October 2020, the Group adopted all the new and revised HKFRSs, amendments and interpretations that were effective from that date and were relevant to its operations. The adoption of these new and revised HKFRSs, amendments and interpretations does not result in changes to the Group’s accounting policies and has no material effect on the amounts reported for the current or prior period.



3. APPLICATION OF NEW AND REVISED HKFRSs

Amendments to HKFRSs that are Mandatorily Effective for the Current Period:

Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendments to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKAS 1 and HKAS 8	Definition of Material
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting

The application of all the new and amendments to HKFRSs and interpretations had no material impact on the consolidated financial statements of the Group.

4. REVENUE

Revenue represents the value of financial printing services rendered.

The following is an analysis of the Group's revenue from its financial printing services during the three and six months ended 31st March 2020 and 2021:

	For the three months ended 31st March		For the six months ended 31st March	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Listing-related documents	3,342	9,645	11,359	14,542
Periodical reporting documents	942	1,244	3,362	4,351
Compliance documents	2,855	3,950	6,337	7,625
Miscellaneous and marketing collaterals (Note)	439	1,217	514	1,480
	7,578	16,056	21,572	27,998

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

TRANSACTION PRICE ALLOCATED TO THE REMAINING PERFORMANCE OBLIGATIONS

As a practical expedient, the Group has not disclosed the amount of transaction price allocated to the performance obligations that are unsatisfied (or partially satisfied) as of the end of the reporting period as the provision of financial printing service contracts are with an original expected duration of one year or less or contracts for which revenue is recognized at the amount to which the Group has the right to invoice for the services performed.

5. SEGMENT INFORMATION

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

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

6. INCOME TAX CREDIT

	For the three months ended 31st March		For the six months ended 31st March	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
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)/PROFIT FOR THE PERIOD

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

	For the three months ended 31st March		For the six months ended 31st March	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Employee benefits expense (including Directors' emoluments):				
Salaries and allowances	4,444	4,429	9,056	9,277
Pension scheme contributions	199	182	379	376
	4,643	4,611	9,435	9,653
Depreciation of property, plant and equipment	217	223	431	454
Depreciation of right-of-use assets included in cost of services	148	—	294	—
Depreciation of right-of-use assets included in administrative expenses	2,872	2,753	5,743	5,505
Finance costs — interest on lease liabilities included in cost of services	27	—	55	—
Finance costs — interest on lease liabilities included in finance costs	147	279	332	593
Minimum lease payments under operating leases	—	233	—	532

8. DIVIDENDS

The Board has resolved not to declare the payment of any dividend for the six months ended 31st March 2021 (six months ended 31st March 2020: HK\$Nil).

9. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings 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	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
(Loss)/Profit: (Loss)/Profit attributable to owners of the Company for the purpose of calculating basic (loss)/earnings per share	(3,968)	1,042	(2,562)	(959)
	2021 '000	2020 '000	2021 '000	2020 '000
Number of shares: Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings 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)/earnings per share	(0.4)	0.10	(0.26)	(0.10)

The diluted (loss)/earnings per share is equal to the basic (loss)/earning 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 2021, the Group acquired plant and equipment at an aggregate cost of approximately HK\$378,000 (six months ended 31st March 2020: HK\$Nil).

11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

RIGHT-OF-USE ASSETS

	As at 31st March 2021 HK\$'000 (Unaudited)	As at 30th September 2020 HK\$'000 (Audited)
As at 1st October 2020	16,809	25,575
Additions	53	2,857
Depreciation provided during the period	(6,037)	(11,623)
As at 31st March 2021	10,825	16,809

The right-of-use assets represent the Group's rights to use underlying leased premises and equipment under lease arrangements over the lease terms.

LEASE LIABILITIES

	As at 31st March 2021 HK\$'000 (Unaudited)	As at 30th September 2020 HK\$'000 (Audited)
Analysed as:		
Current	9,687	12,290
Non-current	1,560	4,970
	11,247	17,260
Minimum lease payments due:		
Within one year	9,989	12,904
More than one year but not later than two years	813	4,005
More than two years but not later than five years	842	1,129
	11,644	18,038
Less: Future finance charges	(397)	(778)
Present value of lease liabilities	11,247	17,260
Maturity analysis:		
Within one year	9,687	12,290
More than one year but not later than two years	752	3,897
More than two years but not later than five years	808	1,073
	11,247	17,260

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

AMOUNT RECOGNISED IN PROFIT OR LOSS

	For the three months ended 31st March		For the six months ended 31st March	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Depreciation of right-of-use assets	3,020	2,753	6,037	5,505
Interest on lease liabilities	174	279	387	593
Short-term lease expenses	—	233	—	532

During the period ended 31st March 2021, the total cash outflow for leases amount to approximately HK\$6,453,000.

12. TRADE RECEIVABLES

	As at 31st March 2021 HK\$'000 (Unaudited)	As at 30th September 2020 HK\$'000 (Audited)
Trade receivables, gross	12,329	15,923
Less: Impairment	(4,024)	(4,024)
	8,305	11,899

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.

12. TRADE RECEIVABLES *(Continued)*

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

	As at 31st March 2021 HK\$'000 (Unaudited)	As at 30th September 2020 HK\$'000 (Audited)
Within 30 days	5,249	6,756
31 to 60 days	789	49
61 to 90 days	626	1,755
91 to 180 days	835	2,924
181 days to one year	806	376
Over one year	—	39
	8,305	11,899

13. TRADE PAYABLES

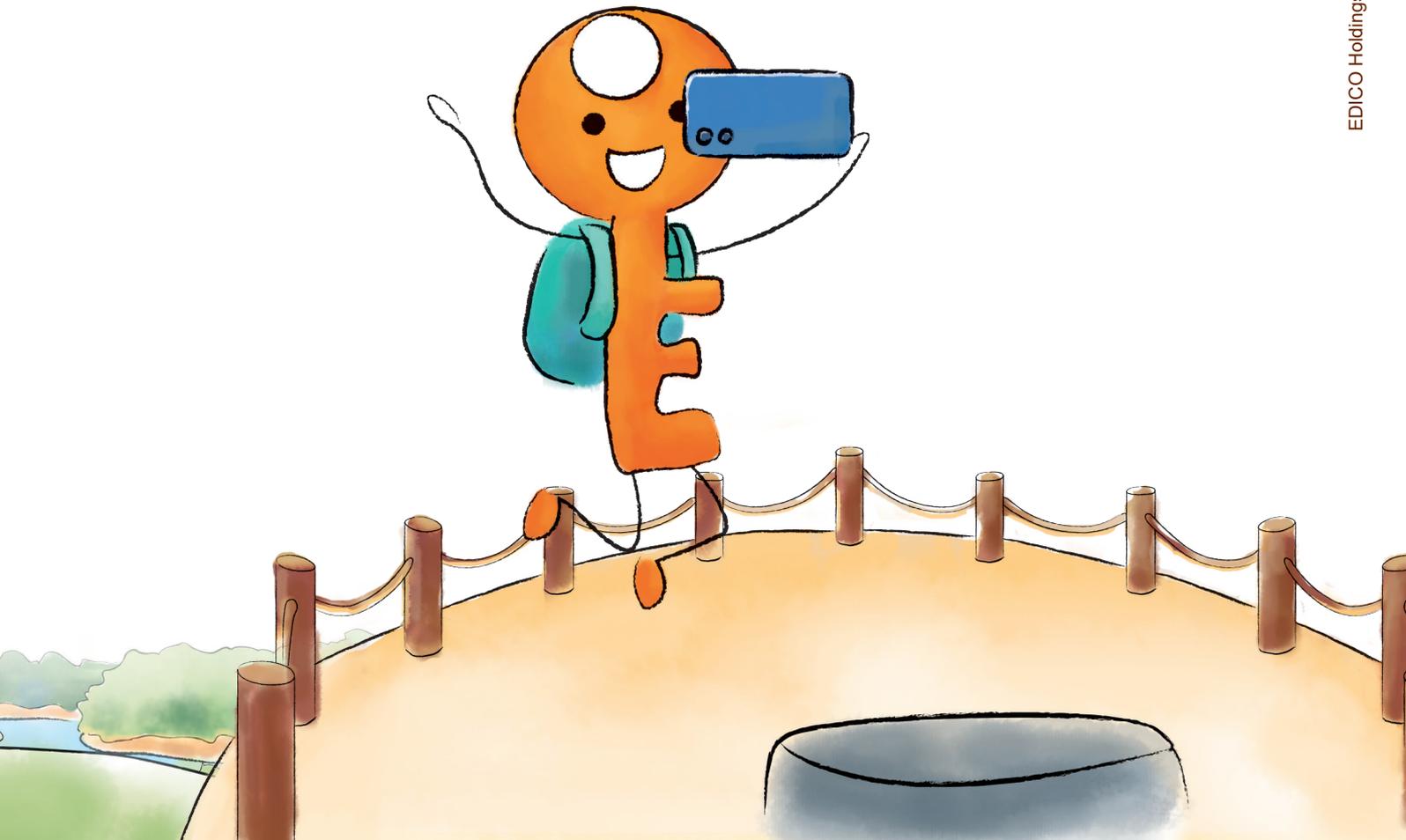
An aging analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	As at 31st March 2021 HK\$'000 (Unaudited)	As at 30th September 2020 HK\$'000 (Audited)
Within 30 days	2,303	3,691
31 to 60 days	789	458
61 to 90 days	233	1,245
91 to 180 days	80	2,329
181 days to one year	263	988
Over one year	1,262	471
	4,930	9,182

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 2020 and 31st March 2021	5,000,000,000	50,000,000
Issued and fully paid ordinary shares of HK\$0.01 each As at 30th September 2020 and 31st March 2021	1,000,000,000	10,000,000



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

During the six months ended 31st March 2021, the Group recorded a decrease in revenue of approximately 22.9% as compared to that of the same period of last year. The revenue generally from (i) listing-related documents segment decreased by HK\$3.1 million from approximately HK\$14.5 million for the six months ended 31st March 2020 to HK\$11.4 million for the six months ended 31st March 2021; (ii) periodical reporting documents decreased by HK\$1.0 million from approximately HK\$4.4 million for the six months ended 31st March 2020 to HK\$3.4 million for the six months ended 31st March 2021; (iii) compliance documents decreased by HK\$1.3 million from approximately HK\$7.6 million for the six months ended 31st March 2020 to HK\$6.3 million for the six months ended 31st March 2021; and (iv) miscellaneous and marketing collaterals decreased by HK\$1.0 million, from approximately HK\$1.5 million for the six months ended 31st March 2020 to HK\$0.5 million for the six months ended 31st March 2021.

The short-term outlook for the global and Hong Kong economies remains uncertain and will be highly dependent on the duration of the COVID-19 outbreak. Nevertheless, the bright spot for the Company is that the Hong Kong initial public offering (“IPO”) market is expected to be strong and active in 2021, including a number of high profile secondary and biotech listings. Hong Kong IPO market should maintain its globally leading position in terms of fund raising size and that will foster the demand for financial printing services. Moreover, we treasure our existing customers and shall continue to provide the premium services to support their financial printing services needs for listing-related documents. EDICO has always been well-positioned to capitalize any market opportunities with its premium services and create the long-term values of our shareholders.

FINANCIAL REVIEW

REVENUE

The Group's revenue decreased from approximately HK\$28.0 million for the six months ended 31st March 2020 to approximately HK\$21.6 million for the six months ended 31st March 2021, representing a decrease of approximately 22.9% of which revenue generated from the listing-related documents decreased by HK\$3.1 million, revenue generated from periodical reporting documents decreased by HK\$1.0 million, revenue generated from compliance documents decreased by HK\$1.3 million and revenue generated from miscellaneous and marketing collaterals decreased by HK\$1.0 million, respectively. The decrease in the Group's revenue was mainly attributable to the delays and cancellations of certain projects during the six months ended 31st March 2021.

COST OF SERVICES

The Group's cost of services mainly included translation cost, printing cost and staff cost, which represented approximately 32.1%, 17.4% and 35.9%, respectively of the Group's total cost of services for the six months ended 31st March 2021. The Group's cost of services decreased from approximately HK\$13.9 million for the six months ended 31st March 2020 to approximately HK\$10.9 million for the six months ended 31st March 2021, representing an decrease of approximately 21.6%. 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\$14.1 million for the six months ended 31st March 2020 to approximately HK\$10.7 million for the six months ended 31st March 2021, representing an decrease of approximately 24.1%. The decrease was in line with the decrease of the Group's revenue during the period under review.

OTHER INCOME

The Group's other income increased from HK\$0.4 million for the six months ended 31st March 2020 to HK\$1.1 million for the six months ended 31st March 2021. 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.

SELLING AND DISTRIBUTION EXPENSES

The Group's selling and distribution expenses were more or less the same, which were approximately HK\$1.0 million and approximately HK\$1.2 million for the six months ended 31st March 2020 and 2021, respectively.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses decreased from approximately HK\$13.8 million for the six months ended 31st March 2020 to approximately HK\$12.8 million for the six months ended 31st March 2021. The decrease was mainly attributable to a decrease in staff cost, and the expiry of the terms of the compliance advisor upon satisfaction with the GEM Listing Rules requirements.

FINANCE COSTS

The Group's finance costs represented interest on lease liabilities for the six months ended 31st March 2020 and six months ended 31st March 2021 under HKFRS 16.

INCOME TAX EXPENSE

There was no income tax expense for the Group for the six months ended 31st March 2021 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 2020: HK\$Nil). The income tax credit represented over-provision for income tax in previous period.

LOSS FOR THE PERIOD

The Group recorded a loss after tax of approximately HK\$2.6 million for the six months ended 31st March 2021 as compared with that of approximately HK\$1.0 million for the six months ended 31st March 2020. The change was primarily due to the decrease of the Group's revenue during the six months ended 31st March 2021.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31st March 2021 our Group had cash and bank balances and time deposits of approximately HK\$65.1 million (30th September 2020: HK\$69.7 million) and did not have any bank borrowings (30th September 2020: 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 2021, our Group's current assets amounted to approximately HK\$80.1 million (30th September 2020: HK\$88.4 million) and current liabilities amounted to approximately HK\$21.7 million (30th September 2020: HK\$30.1 million). Current ratio (calculated by dividing current assets by current liabilities) was 3.7 times as at 31st March 2021 (30th September 2020: 2.9 times).

CAPITAL EXPENDITURE

For the six months ended 31st March 2021, our capital expenditure amounted to HK\$378,000.

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 from the Listing Date and up to 30th September 2020 (HK\$ million)	Actual usage for the six months ended 31st March 2021 (HK\$ million)	Unutilised Net Proceeds as at 31st March 2021 (HK\$ million)
Upgrading the Central Office (Note 3) and setting up a new office	18.6	13.9	3.9	0.4	9.6
Expanding the workforce	10.0	7.5	6.0	1.5	—
Upgrading and acquiring equipment and software	6.0	4.5	1.3	0.5	2.7

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 2021
— 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 2021 and 30th September 2020 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 2021, 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 2021 (31st March 2020: 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 2021.

SIGNIFICANT INVESTMENTS

As at 31st March 2021, the Group did not hold any significant investments or capital assets.

CHARGES ON THE GROUP'S ASSETS

As at 31st March 2021, the Group had no charges on the Group's assets.

EMPLOYEES AND REMUNERATION POLICIES

As at 31st March 2021, the Group had a total headcount of 59 full-time employees (31st March 2020: 55 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 2021 (six months ended 31st March 2020: HK\$Nil).

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant events requiring disclosure that have occurred after 31st March 2021 and up to the date of this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE OF INTERESTS

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

As at 31st March 2021, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long position in the Shares

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

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

Long position in the ordinary shares of associated corporation

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

Save as disclosed above and so far as is known to the Directors, as at 31st March 2021, none of the Directors nor the chief executives of the Company had or was deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

(6) INTERESTS OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

As at 31st March 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	750,000,000	75%

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

Save as disclosed above and so far as is known to the Directors, as at 31st March 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 would fall to be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

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

As no share options have been granted by the Company under the Share Option Scheme since its adoption, there was no share option outstanding as at 31st March 2021 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 2021.

INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Giraffe Capital Limited as its compliance adviser (the “**Compliance Adviser**”). The Compliance Adviser has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules. As notified by the Compliance Adviser, 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 (the “**Agreement**”) 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 expired on 1st January 2021.

CORPORATE GOVERNANCE CODE

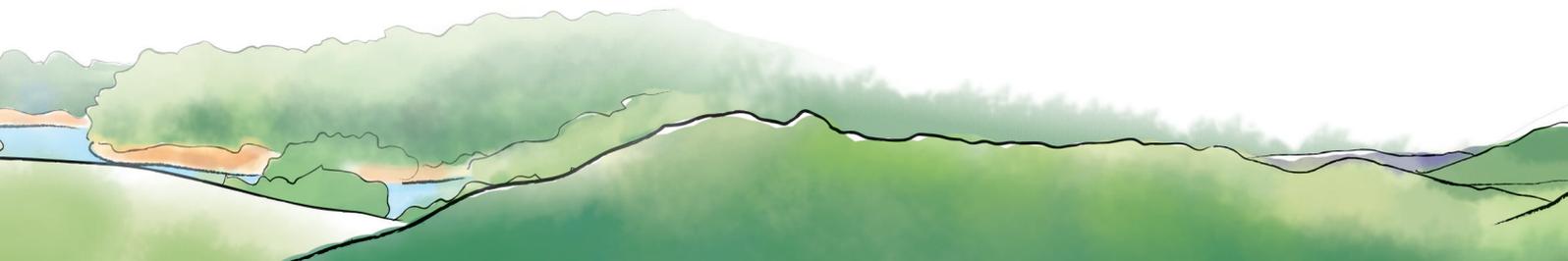
The Company endeavours to adopt prevailing best corporate governance practices. During the six months ended 31st March 2021, the Company had complied with all the code provisions of the Corporate Governance Code as contained in Appendix 15 to the GEM Listing Rules.

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 2021.

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

During the six months ended 31st March 2021, 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 2021 and is of the opinion that such results have been prepared in compliance with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

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

Hong Kong, 7th May 2021

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.