

# EDICO Holdings Limited 鉅京控股有限公司\*

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

Stock code 股份代號 : 8450



## PROBO'S LEGEND 傳奇

Annual Report 年報 2017/2018

\* 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.

# CONTENTS

8	Corporate Information
10	Chairman's Statement
14	Management Discussion and Analysis
23	Directors and Senior Management Profiles
28	Directors' Report
35	Corporate Governance Report
49	Independent Auditor's Report
53	Consolidated Statement of Profit or Loss and Other Comprehensive Income
54	Consolidated Statement of Financial Position
55	Consolidated Statement of Changes in Equity
56	Consolidated Statement of Cash Flows
58	Notes to the Consolidated Financial Statements
92	Financial Summary

## Cover Story



The legend discloses

The transformation of Probo into Superbo, HOW?

Probo's all new-found energy and vigour from Gemstones.

Later on, Superbo is testified with boosted performance in 5 distinctive targets.





# What we Do?

**EDICO Holdings Limited  
is listed on GEM of The Stock  
Exchange of Hong Kong Limited.  
With the relentless efforts of  
our dedicated team, we operate  
24/7 and are engaged in  
a comprehensive, one-stop shop  
financial printing solution,  
with typesetting and  
proofreading, translation,  
design, printing and  
binding, distribution and  
media placement  
all inclusive.**

**2009**

EDICO was established

**2010**

We completed our first IPO project

**2011**

We obtained our first award in Astrid Awards 2011

TOD, our translation services subsidiary, was established

We hired our first disabled employee with special needs

**2012**

Our Group's mascot "Probo" was launched

**2016**

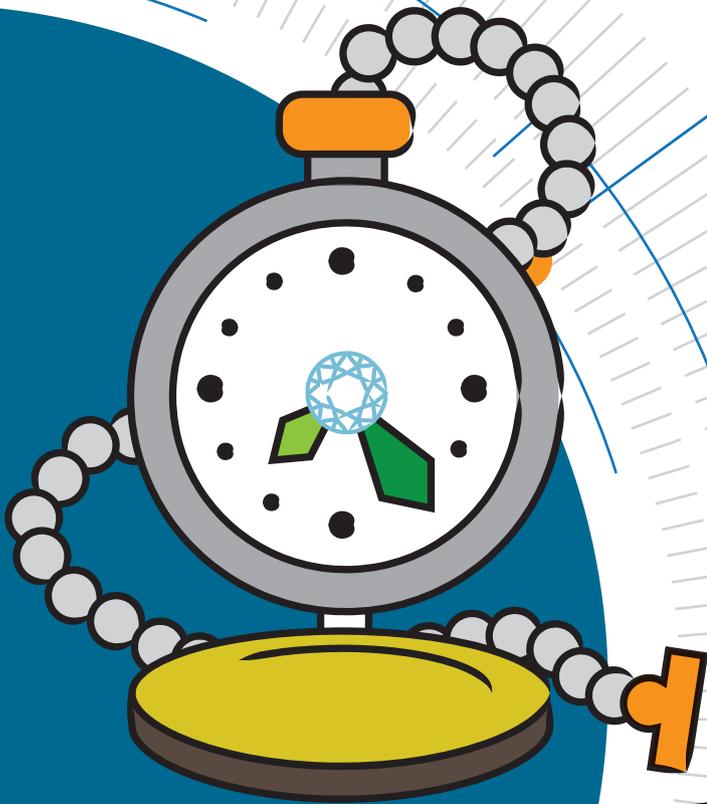
We were recognised as the "Market Leader in Printing Agency" by the Hong Kong Institute of Marketing

EDICO was awarded the "Appreciation Reception for Employers 2016" by The Salvation Army and "5 Years Plus Caring Company Logo" by The Hong Kong Council of Social Service

**2018**

Our shares were initially listed on GEM of The Stock Exchange of Hong Kong Limited on 2<sup>nd</sup> February 2018

EDICO was awarded the "Family — Friendly Employers Award Scheme 2017/2018" by Home Affairs Bureau and the Family Council of Hong Kong



**MILESTONE**

# THE TRANSFORMATION OF PROBO TO SUPERBO

Infused with the essence of gemstones under the skin, Superbo emerges as evolved-self, remoulded from Probo.

Superbo, ex-post, empowered with the assortment of powerful gadgets for boosted Performance in Pentagonal Strategic Targets:

**Creativity, Quality, Precision, Efficiency and Security.**



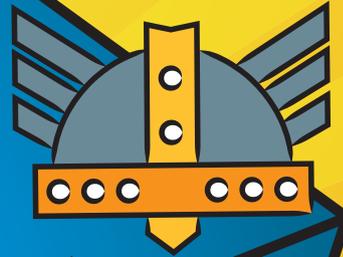
Scan here



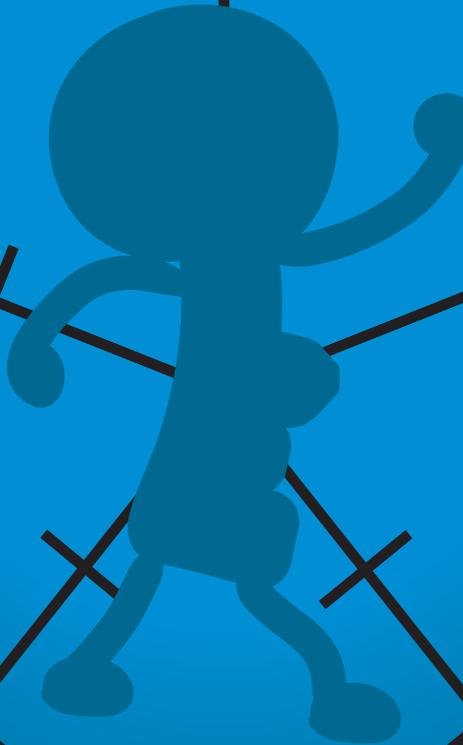
**QUALITY**  
Pleasing and Endearing on  
Customer Services



**PRECISION**  
Meticulous and Shrewd on  
Quality-Assurance



**CREATIVITY**  
Original and Unique  
on Design



**EFFICIENCY**  
Fast-track to Task Completion



**SECURITY**  
Code of Ethics on Privacy

**AUGMENTED PERFORMANCE IN  
PENTAGONAL STRATEGIES**



**PROBO  
PROMOTES TO SUPERBO...**





# SUPERBO ASSIMILATES

Goodness and worthiness  
found in Gemstones:



PRECISION



QUALITY



SECURITY



EFFICIENCY



CREATIVITY



Scan here



8

# 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 (*Chairman*)

Mr. Wan Chun Wai Andrew

Ms. Chan Chiu Yee Natalie

### Remuneration Committee

Mr. Wan Chun Wai Andrew (*Chairman*)

Mrs. Donati Chan Yi Mei Amy

Ms. Chan Chiu Yee Natalie

### Nomination Committee

Ms. Chan Chiu Yee Natalie (*Chairlady*)

Mr. Chan Tsang Tieh

Mr. Wan Chun Wai Andrew

## JOINT COMPANY SECRETARIES

Ms. Cheng Kwai Yee *FCCA*

Mr. Kwok Siu Man *FCS*

## 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

Martin C.K. Pong & Company

Certified Public Accountants

Room B, 16/F., Times Tower

391–407 Jaffe Road

Wanchai

Hong Kong

## COMPLIANCE ADVISER

Giraffe Capital Limited

22/F., China Hong Kong Tower

8–12 Hennessy Road

Wanchai

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

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

8/F., Wheelock House

20 Pedder Street

Central

Hong Kong

## CORPORATE INFORMATION

### 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

Boardroom Share Registrars (HK) Limited  
2103B, 21/F  
148 Electric Road  
North Point  
Hong Kong

### LISTING INFORMATION

#### Place of Listing

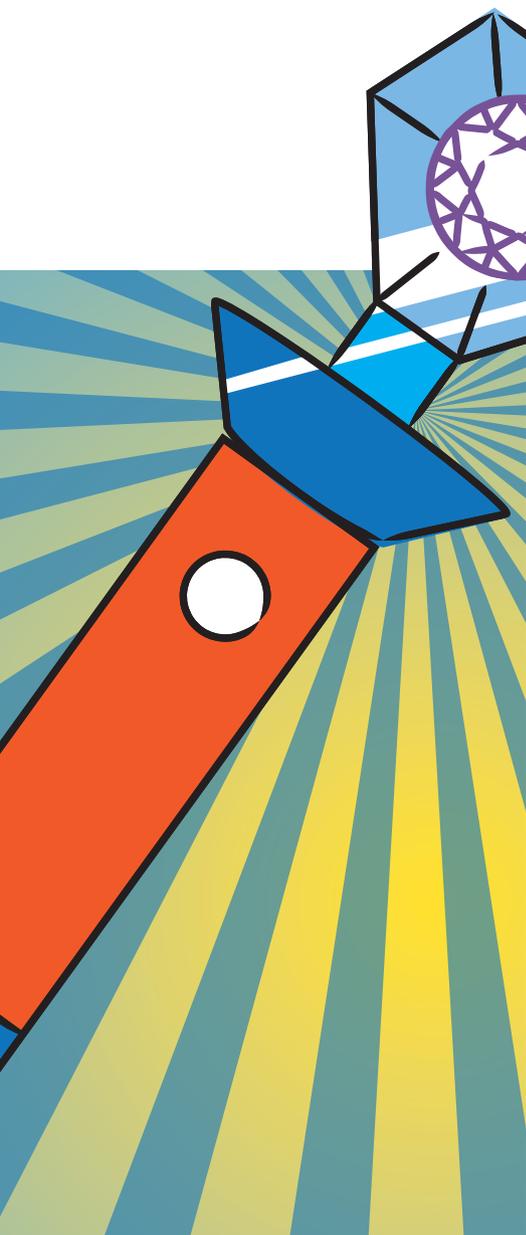
GEM of The Stock Exchange of Hong Kong Limited

#### Stock Code

8450

#### Board Lot

10,000 shares



# CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors of the Company (the “**Board**”), I am pleased to present the results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 30<sup>th</sup> September 2018 (the “**Year**”) to you.

## LISTING

2018 marks a phenomenal year for our Group to celebrate, for it is the year we have successfully listed on The Stock Exchange of Hong Kong Limited. We shall continue to leverage our status as one of the listed companies, professional and experienced management team, elite marketing personnel, along with efficient operation and dedicated service staff to reach an even higher horizon. We measure our success and achievements in terms of a solid and sustainable growth, rather than a transitory improvement.

## REVIEW

For the Year, the revenue and gross profit of the Group were approximately HK\$90.6 million and approximately HK\$46.2 million, respectively, representing an increase of approximately 7.6% and a decrease of 5.5% respectively over the prior year. Profit for the year attributable to owners of the Company was approximately HK\$4.7 million, compared to HK\$10.2 million for the previous year. The increase in revenue was mainly attributable to a material increase in the revenue from listing-related documents segment of financial printing despite a decrease in that of the compliance documents segment.

## CHAIRMAN'S STATEMENT



# EDICO'S FIELD OF SPECIALTY IS IN THE PRODUCTION OF FINANCIAL TRANSACTION DOCUMENTS SUCH AS PROSPECTUS AND FINANCIAL REPORT



EDICO has an extensive service range to  
**CATER YOUR NEEDS**

We can produce documents that can encompass a vast array of corporate financial transactions

### FORWARD

The fast growth of the new economy, particularly in China, has, all the while, changed the economic landscape and we are always optimistic about the future development of Hong Kong. Our Group, apart from shouldering corporate social responsibility, along with beholding environmental conscientiousness, targets to broaden our income stream and secure a sustainable performance growth. We continue to be guided by our motto: "your choice, our pride", and aspire to maintain our position as one of the major market players.

### APPRECIATION

On behalf of the Board, I would like to extend my heartfelt thanks to the management, our employees and business partners, as well as to shareholders for their unwavering support to the Company. Once again, we take pride in our current status as one of the accomplished first-tier printing services providers and are dedicated to working hard to create the greatest value to all our shareholders.

### **Chan Tsang Tieh**

*Chairman and Executive Director*  
Hong Kong, 19<sup>th</sup> December 2018

# MISSION & VISION





**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

## BUSINESS REVIEW AND OUTLOOK

The Group aims to maintain the position as a premium service provider of integrated financial printing services in the financial market in the region. The Group offers a range of integrated services to the customers, including typesetting and proofreading, translation, design, printing and binding, distribution, and media placement.

The Group handles four categories of documents, including (i) listing-related documents which mainly refers to prospectuses and relevant announcements; (ii) periodical reporting documents that companies listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) are required to publish in accordance with the Rules Governing the Listing of Securities on the Stock Exchange and the Rules Governing the Listing of Securities on GEM of the Stock

## MANAGEMENT DISCUSSION AND ANALYSIS

Exchange; (iii) compliance documents such as announcements and circulars; and (iv) other miscellaneous and marketing collaterals, including corporate brochures and calendars. Set out below is the revenue attributable to each category of documents we handled during the year ended 30<sup>th</sup> September 2018 (the "Year"):

	2018		2017	
	HK\$'000	%	HK\$'000	%
Listing-related documents	50,237	55.4	42,137	50.1
Periodical reporting documents	24,526	27.1	24,577	29.2
Compliance documents	13,631	15.0	15,613	18.6
Miscellaneous and marketing collaterals (Note)	2,217	2.5	1,828	2.1
	<b>90,611</b>	<b>100</b>	84,155	100

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

For the years ended 30<sup>th</sup> September 2017 and 2018, revenue attributable to the top five customers amounted to approximately 20.9% and 19.0% 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 years ended 30<sup>th</sup> September 2017 and 2018, the Group subcontracted some of the translation works to independent translation companies and all of the printing and binding works to independent printing factories. For the years ended 30<sup>th</sup> September 2017 and

2018, we incurred approximately HK\$20.3 million and HK\$27.5 million of translation and printing subcontracting costs respectively, representing approximately 57.6% and 61.9% of our total cost of services respectively.

## FINANCIAL REVIEW

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

	2018	2017
	HK\$'000	HK\$'000
Revenue	90,611	84,155
Cost of services	(44,451)	(35,264)
Gross profit	46,160	48,891
Gross profit margin	50.9%	58.1%
Profit before tax	7,299	13,566
Profit for the year	4,737	10,216
Net profit margin	5.2%	12.1%



## MANAGEMENT DISCUSSION AND ANALYSIS



EDICO has a magnificent project management counter with a shape that resembles the bow of a ship. The exposure and openness of the counter assure that our project management team's immediate attention is at the customers' disposal. With our staff who are skilled and capable of handling any request throughout the day, customers' satisfaction is guaranteed

### Revenue

For the years ended 30<sup>th</sup> September 2017 and 2018, revenue was approximately HK\$84.2 million and HK\$90.6 million respectively. For the years ended 30<sup>th</sup> September 2017 and 2018, the Group generated net profit of approximately HK\$10.2 million and HK\$4.7 million respectively. The percentage of revenue generated from listing-related documents of total revenue increased from 50.1% for the

year ended 30<sup>th</sup> September 2017 (the "Year 2017") to 55.4% for the Year mainly due to the increase in the number of customers successfully listed on the Stock Exchange.

During the Year, the final billing on one of our significant customers became contentious. Legal advice has been obtained for the Board to consider the prospect of recovering the outstanding sum from such

customer. After the issuance of a demand letter and a statutory demand to and negotiations, our Group agreed the final settlement amount with the customer.

## MANAGEMENT DISCUSSION AND ANALYSIS

To further enhance our competitive edge, we continue improving our office facilities, equipment and software, and strengthening our capabilities in all aspects.

### 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 catering costs. For the years ended 30<sup>th</sup> September 2017 and 2018, cost of services amounted to approximately HK\$35.3 million and HK\$44.5 million respectively. The increase was generally in line with the Group's revenue growth during the Year.

### Gross profit and gross profit margin

The Group's gross profit decreased by approximately HK\$2.7 million, or 5.5%, from approximately HK\$48.9 million for the Year 2017 to approximately HK\$46.2 million for the Year. Gross profit margins for the years ended 30<sup>th</sup> September 2017 and 2018 were approximately 58.1% and 50.9%, respectively. The change was mainly due to the increase in costs of out-sourced translation for clients' documents and the price concession rendered to one of our major clients mentioned above.

### Selling and distribution expenses

The Group's selling and distribution expenses increased by approximately HK\$0.5 million, or 12.8%, from approximately HK\$3.9 million for the Year 2017 to approximately HK\$4.4 million for the Year. The increase was mainly due to the increase in staff costs and entertainment for sales which was in line with the increase in revenue.

### Administrative expenses

The Group's administrative expenses increased by approximately HK\$3.2 million, or 10.2%, from approximately HK\$31.5 million for the Year 2017 to approximately HK\$34.7 million for the Year. The increase was mainly due to the incurrance of the non-recurrent payment of the substantial expenses and the incurrance of professional fees for post-listing compliance and directors' fee in connection with the listing of the issued shares of the Company (the "**Shares**") on GEM of the Stock Exchange on 2<sup>nd</sup> February 2018 (the "**Listing**").



## MANAGEMENT DISCUSSION AND ANALYSIS

### Income tax expense

Income tax expense decreased by approximately HK\$0.8 million, or 23.5%, from approximately HK\$3.4 million for the Year 2017 to approximately HK\$2.6 million for the Year.

### Profit for the year and net profit margin

Profit for the year decreased by approximately HK\$5.5 million or 53.9% from approximately HK\$10.2 million for the Year 2017 to approximately HK\$4.7 million for the Year, which was mainly due to the incurrence of the Listing expenses.

The net profit margins were 12.1% for the Year 2017 and 5.2% for the Year respectively.

### Interest coverage ratio

Interest coverage ratio is not applicable to the Group for the years ended 30<sup>th</sup> September 2017 and 2018 as the Group had not incurred any interest expenses during the respective years.

### Return on total assets

The return on total assets decreased from approximately 18.5% for the Year 2017 to approximately 4.6% for the Year.

### Return on equity

The return on equity decreased from approximately 26.3% for the Year 2017 to approximately 5.6% for the Year.

### DIVIDEND

An interim dividend of HK\$0.005 per share (2017: HK\$Nil) was paid on Wednesday, 27<sup>th</sup> June 2018.

Our board of directors (the “**Board**”) has resolved to recommend the payment of a final dividend of HK\$0.005 in respect of the year ended 30<sup>th</sup> September 2018 (2017: HK\$Nil) per share payable to those shareholders whose names will appear in the register of members of the Company as at the close of business on Thursday, 7<sup>th</sup> March 2019.

None of the subsidiaries of the Company declared any dividend to its then shareholders for the Year 2017 save that on 31<sup>st</sup> October 2016, a subsidiary of the Company declared a dividend to its then shareholder amounting to HK\$5 million.

## 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 for the Year as below:

Objective	KPIs	Strategies
Maximise value for the Shareholders	Gross profit margin <sup>(1)</sup> = 50.9% (2017: 58.1%)	The Group has implemented effective cost control measures, pricing arrangement and capital expenditure.
	Return on total assets <sup>(2)</sup> = 4.6% (2017: 18.5%)	
	Return on equity <sup>(3)</sup> = 5.6% (2017: 26.3%)	
Maintain the Group’s liquidity and monitor capital structure	Cash and cash equivalents = approximately HK\$46.4 million (2017: approximately HK\$19.1 million)	The Group adopts a prudent financial management policy to regularly monitor the liquidity requirements of the Group and the Group’s 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.
	Current ratio <sup>(4)</sup> = 5.5 times (2017: 3.3 times)	
	Gearing ratio <sup>(5)</sup> = N/A (2017: N/A)	
	Net debt to equity ratio <sup>(6)</sup> = Net cash position (2017: Net cash position)	

Notes:

- Gross profit margin is calculated by dividing the gross profit for the year by revenue and then multiplied by 100%.
- Return on total assets is calculated by dividing the net profit for the year by the total assets as at the respective year end and then multiplied by 100%.
- Return on equity is calculated by dividing the net profit for the year by the total equity as at the respective year end and then multiplied by 100%.
- Current ratio is calculated by dividing the total current assets by the total current liabilities as at the respective year end.
- Gearing ratio is calculated by dividing the total borrowings by the total equity as at the respective year end and then multiplied by 100%.
- 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 mainly denominated in HK\$, except for certain trade receivables which were denominated in United States dollars ("US\$") and cash on hand and bank deposits were denominated in 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. 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

The Board believes that all the major risk factors relevant to the Group have already been listed in the section headed "Risk factors" of the prospectus of the Company dated 23<sup>rd</sup> January 2018 (the "Prospectus"). Save for disclosed herein, as at the date of this report, there was no material adverse change in the general

economic and market conditions in the industry in which the Group operates that had affected or would affect its business operations or financial condition materially and adversely.

### 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 shareholder.

As at 30<sup>th</sup> September 2018, the Group had cash and cash equivalents of approximately HK\$46.4 million (2017: HK\$19.1 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 proceeds from 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 30<sup>th</sup> September 2018, our Group's current assets amounted to approximately HK\$103.4 million (2017: HK\$54.8 million) and current liabilities amounted to approximately HK\$18.8 million (2017: HK\$16.5 million). Current ratio was 5.5 times as at 30<sup>th</sup> September 2018 (2017: 3.3 times).

The gearing ratio was not applicable to the Group as at 30<sup>th</sup> September 2017 and 2018 as the Group did not have any outstanding debt.

### Capital Structure

There were changes in the Company's capital structure during the Year. Considering the current financial position of the Group and provided that there is no unforeseeable 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

Prior to the Listing, the Company underwent corporate reorganisation, the details of which are set out in the section headed "History, Reorganisation and Corporate Structure" in the Prospectus.

Save as above, the Group had no acquisitions and disposals of subsidiaries, associates or joint ventures for the Year.

### Segmental information

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### Number and remuneration of employees, remuneration policies, bonus and share option schemes and training schemes

As at 30<sup>th</sup> September 2018, the Group had 65 (2017: 64) 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\$1.8 million (2017: HK\$1.5 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\$20.7 million (2017: HK\$22.8 million).

The Group's principal policies concerning remuneration of 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 wages and their previous work experience. The key principles of the remuneration policy are to remunerate employees in a manner that is market competitive. The Group also regularly evaluates the employees to assess their performance.

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 16<sup>th</sup> January 2018. The Share Option Scheme became effective on 2<sup>nd</sup> February 2018. 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 30<sup>th</sup> September 2018 and no options were exercised or cancelled or lapsed during the Year.

The Group provides continuous trainings to the employees to improve their skills and develop their potential. The Group provides mandatory trainings to the new staff based on the tasks they perform in the course of 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 group assets

As at 30<sup>th</sup> September 2018 and 2017, the Group had no asset pledged to secure its loans and banking facility.

### Future plans for material investments or capital assets and the expected sources of funding

Save for the business plan disclosed in the Prospectus or elsewhere in this report, there was no other plan for material investments or capital assets as at 30<sup>th</sup> September 2018.

### Contingent liabilities

As at 30<sup>th</sup> September 2018 and 2017, the Group had no significant contingent liabilities.

### Use of net proceeds from the Listing

On 2<sup>nd</sup> February 2018, 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 of the Company were issued at HK\$0.22 per Share in relation to the initial public offering (the "**IPO**"). The net proceeds from the IPO amounted to approximately HK\$28.7 million, after deducting the underwriting commission and all related Listing expenses. The Company has utilised, and will continue to utilise, the net proceeds from the IPO for the purposes consistent with those stated in the section headed "Future Plans and Use of Proceeds" (the "**Use of Proceeds**") as set out in the Prospectus.



## MANAGEMENT DISCUSSION AND ANALYSIS

The table below sets out the planned applications of the net proceeds and actual usage during the Year:

<b>Intended application of the net proceeds</b>	<b>Planned use of net proceeds</b> (Note 1) (HK\$ million)	<b>Actual usage up to 30<sup>th</sup> September 2018</b> (HK\$ million)	<b>Unutilised net proceeds as at 30<sup>th</sup> September 2018</b> (HK\$ million)
Upgrading our Central Office (Note 2) and setting up new office	18.6	0.2	18.4
Expanding our workforce	10.0	0.9	9.1
Upgrading and acquiring equipment and software	6.0	0.3	5.7

Notes:

- (1) Refers to the planned use of net proceeds as stated in the Prospectus.
- (2) Central Office represents our 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 proceeds.

### Comparison of Business Objectives with Actual Progress

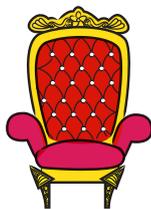
The following is a comparison of the Group's business objectives as set out in the Prospectus with actual progress for the Year.

<b>Business objective set out in the Prospectus</b>	<b>Actual progress up to 30<sup>th</sup> September 2018</b>
— Upgrading the Central Office and setting up new office <sup>(Note)</sup>	In early October 2018, the Central Office started the renovation work which is expected to be completed by the end of December 2018.
— Expanding the workforce	The Group has recruited additional staff to join the sales, services and operations departments.
— Upgrading and acquiring equipment and software	The Group has upgraded its computer and email system, upgraded its existing server configuration, and acquired conference rooms' facilities.

Note: Reference is made to the Prospectus under the section headed "Use of Proceeds". It is disclosed that we planned to utilise a portion of the net proceeds from the Share Offer (as defined in the Prospectus) for setting up a new office which (i) was to replace the office located at New Kowloon Plaza, 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 we designated our plan in the section headed "Use of Proceeds" and the time we were actively sourcing an appropriate office in the vicinity of Central and western districts in Hong Kong subsequent to the Listing, we have found that rental had soared significantly during the intervening period. We, therefore, resorted to extend the lease contract of the Kowloon Office for another year but shall continue to source a prospective location in the Central and western districts as planned and stated in the Prospectus. A renovation work has been undertaken in the Kowloon Office and our creative and graphic department has been re-allocated from the Central Office to the Kowloon Office so as to allow more room for future recruitment and expansion of workforce in the Central Office.

### FUTURE OUTLOOK

In support of the anticipated business growth, the Group has undergone a significant renovation for the Central Office and the Kowloon Office, along with improving the working environment for both employees and customers, expanding our workforce and acquiring other equipment and software facilities. The Group plans to take such initiatives in order to enhance its production and capacity efficiency, thereby elevating its services and products quality and competitiveness.



# DIRECTORS AND SENIOR MANAGEMENT PROFILES

## DIRECTORS



**Mr. Chan Tsang Tieh**  
*Executive Director and Chairman*

**Mr. Chan Tsang Tieh** (陳增鉄), aged 68, is the Chairman and an executive Director of our Company, responsible for providing strategic advice to our Group. Mr. Chan was appointed as a Director on 20<sup>th</sup> May 2016 and was re-designated as an executive Director and appointed as the Chairman on 22<sup>nd</sup> June 2017. Mr. Chan is also a member of the nomination committee and a 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 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"). Prior to that, 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 during the period from 1986 to 2004. 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**  
*Executive Director and Chief Executive Officer*

**Mrs. Donati Chan Yi Mei Amy** (陳綺媚), aged 44, 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 GEM Listing Rules and other relevant laws and regulations. Mrs. Donati is also a member of the remuneration committee of the Company. She was appointed as an executive Director on 22<sup>nd</sup> June 2017 and was appointed as the Chief Executive Officer on 30<sup>th</sup> June 2017. She joined our Group on 1<sup>st</sup> 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 about 20 years 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 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 in July 1996.



## DIRECTORS AND SENIOR MANAGEMENT PROFILES



**Mr. Li Wai Ming**  
*Independent Non-executive  
Director*

**Mr. Li Wai Ming (李威明)**, aged 48, was appointed as an independent non-executive Director of our Company on 15<sup>th</sup> November 2017. He is primarily responsible for supervising and providing independent judgment to the Board. Mr. Li is also the chairman of each of our audit committee and risk management committee.

Mr. Li has more than 17 years of experience in the finance industry. From March 1997 to March 1999, Mr. Li worked in leading accounting firms. He currently holds the position of senior finance manager in a company listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Mr. Li also served as an independent non-executive director of Ascent International Holdings Limited (previously known as Chanco International Group 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 Institute of Chartered Secretaries and Administrators in the UK, a member of The Hong Kong Institute of Chartered Secretaries, and a certified tax adviser of the Taxation Institute of Hong Kong. Mr. Li obtained his master of professional accounting in November 2004 from the Hong Kong Polytechnic University.



**Mr. Wan Chun Wai Andrew**  
*Independent Non-executive  
Director*

**Mr. Wan Chun Wai Andrew (尹振偉)**, aged 63, was appointed as an independent non-executive Director of our Company on 15<sup>th</sup> November 2017. He is primarily responsible for supervising and providing independent judgment to the Board. Mr. Wan is also the chairman of our 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 retired.

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 from University of South Australia in October 2009.

## DIRECTORS AND SENIOR MANAGEMENT PROFILES



**Ms. Chan Chiu Yee Natalie**  
*Independent Non-executive  
Director*

**Ms. Chan Chiu Yee Natalie (曾昭怡)**, aged 32, was appointed as an independent non-executive Director of our Company on 15<sup>th</sup> November 2017. She is primarily responsible for supervising and providing independent judgment to the Board. Ms. Chan is also the chairlady of our nomination committee and a member of each of our audit committee, remuneration committee and risk management committee.

Ms. Chan has over 5 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 from Bentley University in the United States in May 2008, her juris doctor degree in December 2010 and her postgraduate certificate in laws in July 2011, both from the Chinese University of Hong Kong.

## SENIOR MANAGEMENT

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



**Ms. Cheng Kwai Yee**  
*Chief Financial Officer and  
Joint Company Secretary*

**Ms. Cheng Kwai Yee (鄭桂儀)**, aged 42, is the Chief Financial Officer and a joint company secretary of our Company. Ms. Cheng joined the Group in April 2010 and is responsible for overseeing the 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 from March 2008 to March 2010, an educational software service company, mainly responsible for handling accounting matters. In 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. In 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 from the Hong Kong Baptist University in December 1998.



## DIRECTORS AND SENIOR MANAGEMENT PROFILES



**Ms. Lok Yuen Yu Izabel**  
*Chief Operations Officer*

**Ms. Lok Yuen Yu Izabel (駱婉如)**, aged 46, 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 16 years of experience in the financial printing industry. Prior to joining the Group, Ms. Lok was an account servicing director of iOne (Regional) Financial Press Limited from November 2005 to December 2009, mainly responsible for customer services. Ms. Lok served in Roman Financial Press Limited as a customer service executive 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. Wong Choi Sze Joyce**  
*Sales Director*

**Ms. Wong Choi Sze Joyce (黃采詩)**, aged 39, is a Sales Director of EDICO responsible for managing client relationship and expanding our Group's network for potential business. Ms. Wong joined our Group in January 2010, and has over 15 years of experience in the financial printing industry, in particular the sales and marketing area. Prior to joining the Group, Ms. Wong was a sales associate of iOne (Regional) Financial Press Limited from November 2005 to December 2009, and was mainly responsible for managing client relationships. In March 2003, Ms. Wong joined Roman Financial Press Limited as a customer service executive, and was switched to the position of marketing executive in October 2003, a position she held until October 2005, and was mainly responsible for organising marketing events. Ms. Wong graduated from the University of Victoria, Canada with a degree of Bachelor of Commerce in May 2002.



**Ms. Lee Shuk Yee**  
*Sales Director*

**Ms. Lee Shuk Yee (李淑儀)**, aged 52, 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. Prior to joining the Group, 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. In between September 2002 to April 2011, Ms. Lee served as an account director in The Design Associates Limited, and was primarily responsible for managing customer relationship.

Ms. Lee graduated from Hong Kong Shue Yan College (currently known as Shue Yan University) with a diploma from the Department of Journalism in July 1990. Ms. Lee also 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 AND SENIOR MANAGEMENT PROFILES

### JOINT COMPANY SECRETARIES

**Ms. Cheng Kwai Yee (鄭桂儀)** and **Mr. Kwok Siu Man (郭兆文)** are the joint company secretaries of our Company.

For the biography of Ms. Cheng, please see the subsection headed “Senior management” above.

Mr. Kwok, aged 59, was appointed as one of our joint company secretaries on 22<sup>nd</sup> June 2017. He has over 30 years of legal, corporate secretarial and management experience. He is an executive director and the Head of Corporate Secretarial of Boardroom Corporate Services (HK) Limited and a director of Boardroom Share Registrars (HK) Limited, our Company’s Hong Kong Branch Share Registrar. From January 2011 to March 2013, Mr. Kwok was the group company secretary of the Lai Sun group comprising, amongst others, Lai Sun Garment (International) Limited (stock code: 191), Lai Sun Development Company Limited (stock code: 488), eSun Holdings Limited (stock code: 571), Lai Fung Holdings Limited (stock code: 1125) and Media Asia Group Holdings Limited (stock code: 8075), and the company secretary of Crocodile Garments Limited (stock code: 122) concurrently. Mr. Kwok was also an independent non-executive director of Grand Ocean Advanced Resources Company Limited (stock code: 65), a company listed on the Stock Exchange, from February 2015 to February 2016. Since 30<sup>th</sup> June 2017, he has been an independent non-executive director of Tak Lee Machinery Holdings Limited (stock code: 8142), a company listed on GEM of the Stock Exchange and is currently an executive committee member of Federation of Share Registrars Limited.

Mr. Kwok obtained a professional diploma in company secretaryship and administration and a bachelor’s degree of arts from the Hong Kong Polytechnic University in November 1983 and November 1994, respectively and a post-graduate diploma in laws from the Manchester Metropolitan University in the UK in 1998. He passed the Common Professional Examinations in England and Wales in July 1998. Mr. Kwok was admitted as a fellow member of each of the Institute of Chartered Secretaries and Administrators in the UK (the “**ICSA**”), the Institute of Financial Accountants in the UK and The Hong Kong Institute of Chartered Secretaries (the “**HKICS**”) in 1990, 1996 and 1994, respectively. He has also been a fellow member of the Association of Hong Kong Accountants, The Hong Kong Institute of Directors and the Institute of Public Accountants in Australia since June 2014, July 2014 and April 2015, respectively. He was admitted as a Chartered Governance Professional of the ICSA and HKICS in September 2018. Mr. Kwok was the longest-serving elected council member and a chief examiner of the HKICS. Further, he was named in the “International WHO’S WHO of Professionals” in 1999.

Mr. Kwok is not an individual employee of our Company, but acts as an external service provider. The Company has nominated Ms. Cheng as its contact point for Mr. Kwok in respect of the company secretarial matters.



28

# 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 30<sup>th</sup> September 2018 (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 26 to the consolidated financial statements.

## BUSINESS REVIEW

Further discussion and analysis of the business of the Group, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group’s business, can be found in the sections headed “Chairman’s Statement” and “Management Discussion and Analysis” of this annual report. The financial risk management objectives and policies of the Group are set out in note 32 to the consolidated financial statements. These discussions form part of this report.

### Environmental Policies, Performance and Compliance with Laws and Regulations

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.

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.

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.

### Relationship with Stakeholders

The Group recognizes that employees, customers and business partners are keys 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 such as by providing orientation training for new employees, on-the-job training and team building events.

The Group also organizes 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. We do not foresee any difficulty in procurement nor 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 30<sup>th</sup> September 2018 and up to the date of this report.

## DIRECTORS' 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 53 of this annual report.

### FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for each of the last four financial years is set out on page 92 of this annual report.

### DIVIDENDS

The Board has recommended the payment of a final dividend of HK\$0.005 per share for the Year. This final dividend, subject to the approval of the shareholders of the Company (the "**Shareholders**") at its forthcoming annual general meeting (the "**AGM**"), together with the interim dividend of HK\$0.005 per share paid on 27<sup>th</sup> June 2018, will make a total dividend of HK\$0.01 per share for the year ended 30<sup>th</sup> September 2018 (2017: HK\$Nil). If the resolution for the proposed final dividend is passed by the Shareholders at the AGM, the final dividend will be payable on or around Wednesday, 20<sup>th</sup> March 2019.

None of the subsidiaries of the Company declared any dividend to its then shareholders for the year ended 30<sup>th</sup> September 2017 save that on 31<sup>st</sup> October 2016, a subsidiary of the Company declared a dividend to its then shareholder amounting to HK\$5 million.

The register of members of the Company will be closed from Saturday, 2<sup>nd</sup> March 2019 to Thursday, 7<sup>th</sup> March 2019 (both days inclusive), during which period no transfer of shares of the Company (the "**Shares**") will be registered, for ascertaining Shareholders' entitlement to receive the proposed final dividend. In order to be eligible to receive the proposed final dividend, 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, Boardroom Share Registrars (HK) Limited, 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, for registration not later than 4:30 p.m. on Friday, 1<sup>st</sup> March 2019.

### ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The AGM of the Company is scheduled to be held on Friday, 22<sup>nd</sup> February 2019 (the "**2019 AGM**"). For the purpose of determining those Shareholders who are entitled to attend and vote at the 2019 AGM, the register of members of the Company will be closed from Tuesday, 19<sup>th</sup> February 2019 to Friday, 22<sup>nd</sup> February 2019 (both days inclusive), during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the 2019 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, Boardroom Share Registrars (HK) Limited, 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, for registration not later than 4:30 p.m. on Monday, 18<sup>th</sup> February 2019.

### 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, together with the reasons therefor, are set out in note 24 to the consolidated financial statements of this annual report.

### RESERVES

Details of the movements in the reserves of the Company and the Group during the Year are set out in note 25 and note 33 to the consolidated financial statements of this annual report, respectively.

### DISTRIBUTABLE RESERVES

As at 30<sup>th</sup> September 2018, the Company's reserves available for distribution, calculated in accordance with the provisions of Companies Law of the Cayman Islands, amounted to approximately HK\$37.1 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**"), and there is no restriction against such rights under 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 period from 2<sup>nd</sup> February 2018 (the "**Listing Date**") to 30<sup>th</sup> September 2018 (the "**Period**"), 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*)  
(appointed on 20<sup>th</sup> May 2016)

Mrs. Donati Chan Yi Mei Amy  
(*Chief Executive Officer*)  
(appointed on 22<sup>nd</sup> June 2017)

#### Independent Non-executive Directors (the "INEDs")

Mr. Li Wai Ming  
(appointed on 15<sup>th</sup> November 2017)  
Mr. Wan Chun Wai Andrew  
(appointed on 15<sup>th</sup> November 2017)  
Ms. Chan Chiu Yee Natalie  
(appointed on 15<sup>th</sup> November 2017)

In accordance with article 83(3) of the Articles of Association, all Directors shall retire at the 2019 AGM and, being eligible, will offer themselves for re-election.

The Company has received annual confirmation 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 of Hong Kong Limited (the "**Stock Exchange**" and the "**GEM Listing Rules**", respectively). 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.

### 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, has entered into a letter of appointment with the Company on 16<sup>th</sup> January 2018 for an initial term of three years commencing on the Listing Date and renewable automatically 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 on 16<sup>th</sup> January 2018 for an initial term of three years commencing on the Listing Date unless terminated by either party giving at least three months' notice in writing served by either party on the other.

Save as disclosed above, none of the Directors proposed for re-election at the 2019 AGM has a 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 were entered into by the Group during the Year or existed as at 30<sup>th</sup> September 2018.

### ARRANGEMENTS FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Year or as at 30<sup>th</sup> September 2018 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 30<sup>th</sup> September 2018, 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 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 interest	Number of Shares held	Percentage of interest in the Company
Mr. Chan Tsang Tieh ("Mr. Chan") (Note)	Interest in a controlled corporation	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 interest	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 30<sup>th</sup> September 2018, 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 Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.



## DIRECTORS' REPORT

### INTERESTS OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

As at 30<sup>th</sup> September 2018, 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 were as follows:

#### Long position in the Shares

Name of shareholder	Capacity/nature of interest	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 our 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 30<sup>th</sup> September 2018, 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, interest 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 (the “**Share Option Scheme**”) was approved and conditionally adopted by the then sole Shareholder by way of written resolutions on 16<sup>th</sup> 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 of the Company dated 23<sup>rd</sup> January 2018 (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 30<sup>th</sup> September 2018 and no options were exercised or cancelled or lapsed during the Year.

### 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.

Details of the related party transactions of the Group during the Year are set out in note 29 to the consolidated financial statements. None of these related party transactions falls under the definition of a “connected transaction” or “continuing connected transaction” in Chapter 20 of the GEM Listing Rules during the Year.

### 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 any other conflicts of interest which any such person had or might have 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 19.0% of the total revenue of the Group for the year ended 30<sup>th</sup> September 2018 (2017: approximately 20.9%) and the Group's largest customer accounted for approximately 5.8% of the total revenue of the Group for the year ended 30<sup>th</sup> September 2018 (2017: approximately 6.7%).

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 accounted for approximately 40.3% of the total cost of services of the Group for the year ended 30<sup>th</sup> September 2018 (2017: approximately 38.6%) and the Group's largest supplier accounted for approximately 14.1% of the total cost of services of the Group for the year ended 30<sup>th</sup> September 2018 (2017: approximately 11.1%).

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 30<sup>th</sup> September 2018 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 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 16<sup>th</sup> 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. 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 30<sup>th</sup> September 2018 or at any time during the Year.

### CHANGE IN DIRECTORS' INFORMATION

Subsequent to the date of the interim report 2017–2018 of the Company, the change in Directors' information as required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules is set out below:

Mr. Wan Chun Wai Andrew, an INED, was admitted as a member of the Hong Kong Institute of Certified Public Accountants in September 2018.

The Company is not aware of other changes in the Directors' information.

### 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 of any rights in relation to the Shares, they are advised to consult their professional advisers.

### PERMITTED INDEMNITY

Subject to the applicable laws, every Director will be entitled to 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 incurred by him/her in the execution of his/her duties pursuant to the Articles of Association. Such provisions were in force during the course of the Year and remained in force as of the date of this report.



## DIRECTORS' REPORT

### MANAGEMENT CONTRACTS

No contracts, other than employment contracts, 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' fees are subject to Shareholders' approval at general meeting. Their annual performance bonus is determined by the Board upon the recommendation of its remuneration committee while other emoluments are determined by the remuneration committee of the Board 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, and 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.

### DONATIONS

No charitable and other donations were made by the Group for the years ended 30<sup>th</sup> September 2018 and 2017.

### 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 Period 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 Period.

Details of the principal corporate governance practices of our Group are set out in the section headed "Corporate Governance Report" on pages 35 to 47 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 23 of this annual report. The joint company secretaries of the Company are Ms. Cheng Kwai Yee (who is also the Company's chief financial officer) and Mr. Kwok Siu Man. Their biographical details are set out on page 25 and page 27, respectively, of this annual report.

### INTEREST OF COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Giraffe Capital Limited as the 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, as at 30<sup>th</sup> September 2018 and up to the date of this report, except for the compliance adviser agreement entered into between the Company and the Compliance Adviser, none of the Compliance Adviser or its directors, employees or close associates (as defined in the GEM Listing Rules) had any interests in relation to the Company or in the share capital of any member of the Group, which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

### REVIEW BY AUDIT COMMITTEE

The audited consolidated financial statements of the Company for the Year have been reviewed by the audit committee of the Company.

### INDEPENDENT AUDITOR

Martin C.K. Pong & Company will retire as the independent auditor of the Company and, being eligible, offer themselves for re-appointment at the forthcoming 2019 AGM. A resolution for their re-appointment will be proposed at the forthcoming 2019 AGM.

On behalf of the Board

#### **Chan Tsang Tieh**

*Chairman and Executive Director*  
Hong Kong, 19<sup>th</sup> December 2018

# CORPORATE GOVERNANCE REPORT

The Company is committed to fulfilling its responsibilities to its shareholders (the “**Shareholders**”) and protecting and enhancing Shareholders’ values 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

As the issued shares of HK\$0.01 each of the Company were initially listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 2<sup>nd</sup> February 2018 (the “**Listing Date**” and the “**Listing**”, respectively), the Corporate Governance Code as contained in Appendix 15 to the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**” and the “**CG Code**”, respectively) was not applicable to the Company for the period from 1<sup>st</sup> October 2017 to 1<sup>st</sup> February 2018, being the date immediately before the Listing Date. The Company has adopted and, save for the deviation from code provision A.1.8 of the CG

Code as disclosed in this report, has complied with all applicable code provisions as set out in the CG Code during the period from the Listing Date to 30<sup>th</sup> September 2018 (the “**Period**”).

## SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings in the securities (the “**Required Standard of Dealings**”) as contained in Rules 5.48 to 5.67 of the GEM Listing Rules 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 Period.

## 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 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 non-executive Directors (including the 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 Period 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 Period, the Company had three INEDs, meeting the requirements of the GEM Listing Rules that the number of INEDs must represent at least one-third of the Board members, and that at least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise.

The Company has received a confirmation of independence in writing from each of the INEDs pursuant to Rule 5.09 of the GEM Listing Rules. Based on such confirmation, 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 from the Listing Date to the date of this annual report.

From the Company’s financial year commencing on 1<sup>st</sup> October 2018 (“**Year 2019**”), the chairman of the Board (the “**Chairman**”), being an executive Director, will at least annually hold one meeting with the INEDs without the presence of the other executive Director.

As the Company was sourcing and waiting for various quotations for the directors and officers liabilities’ insurance after the Listing, the insurance cover in respect of legal actions against the Directors was not in place. However, as there were regular and timely communications among the Directors and the senior management of the Group, the Board was of the opinion that sound and effective corporate governance within the Group would suffice in monitoring and mitigating legal and compliance risks. Proper insurance coverage in respect of legal actions against the directors’ liabilities was arranged by the Company in early May 2018 and since then the Company has complied with code provision A.1.8 of the CG Code.

## 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. During the year ended 30<sup>th</sup> September 2018 (the "Year"), each of the Directors named under the paragraph headed "Composition" above attended a training seminar arranged by the Company's Hong Kong legal advisers on directors' responsibilities and the GEM Listing Rules.

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 is summarised as follows:

Name of Directors	Type of trainings
Mr. Chan Tsang Tieh	A and 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**

From Year 2019 onwards, the Board is scheduled to meet 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 is open for the Directors' inspection.



## CORPORATE GOVERNANCE REPORT

During the Period, 3 Board meetings were held and, amongst other matters, considered and approved the unaudited consolidated financial statements of the Group for the three months ended 31<sup>st</sup> December 2017, for the six months ended 31<sup>st</sup> March 2018 and for the nine months ended 30<sup>th</sup> June 2018, respectively.

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

<b>Name of Directors</b>	<b>No. of Attendance/ No. of Meetings</b>
Mr. Chan Tsang Tieh	3/3
Mrs. Donati Chan Yi Mei Amy	3/3
Mr. Li Wai Ming	3/3
Mr. Wan Chun Wai Andrew	3/3
Ms. Chan Chiu Yee Natalie	3/3

During the Period, the Company did not hold any general meeting of the Shareholders.

On 19<sup>th</sup> December 2018, a Board meeting was held to, amongst other matters, consider and approve the audited consolidated financial statements of the Group for the Year and all Directors attended the same.

### Board Diversity Policy

During the Year, the Board 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 Period 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 chief executive officer of the Company (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.

### 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.

## CORPORATE GOVERNANCE REPORT

**Audit Committee**

The Audit Committee was established on 16<sup>th</sup> January 2018 with written terms of reference in compliance with the CG Code. 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 chairman 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 management); and reviewing the draft management letter, any material queries raised by the auditor to management in respect of the accounting records, financial accounts or systems of control including 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 the internal audit function, ensuring coordination between the internal and external auditors and ensuring that the internal audit function is adequately resourced and has appropriate standing within the Group;
- developing and implementing a policy on engaging an external auditor to supply non-audit services;
- discussing with management the scope and quality of systems of risk management and internal control to ensure that 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 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.



## CORPORATE GOVERNANCE REPORT

During the Period, 3 Audit Committee meetings were held and, amongst other matters, considered and approved (i) for presentation to the Board for consideration and approval the draft unaudited consolidated financial statements of the Group for the three months ended 31<sup>st</sup> December 2017, for the six months ended 31<sup>st</sup> March 2018 and for the nine months ended 30<sup>th</sup> June 2018, respectively and (ii) audit-related matters.

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

<b>Name of Directors</b>	<b>No. of Attendance/ No. of Meetings</b>
Mr. Li Wai Ming	3/3
Mr. Wan Chun Wai Andrew	3/3
Ms. Chan Chiu Yee Natalie	3/3

On 19<sup>th</sup> December 2018, an Audit Committee meeting was held to, amongst other matters, consider and approve the draft audited consolidated financial statements of the Group for the Year for presentation to the Board for consideration and approval, and all members of the Audit Committee attended it.

### Remuneration Committee

The Remuneration Committee was established on 16<sup>th</sup> January 2018 with written terms of reference in compliance with the CG Code. 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 chairman of the Remuneration Committee.

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, employment conditions, and responsibilities, and individual performance of the Directors, senior management and the general staff of the Company. 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 the policy and structure for the remuneration of the Directors and senior management of the Company whilst ensuring that no Director or any of his/her close associates is involved in deciding his/her own remuneration;

## CORPORATE GOVERNANCE REPORT

- determining the remuneration of Directors and senior management of the Company, including benefits in kind, pension right, compensation payment (including compensation for loss of office or appointment etc.) if considered appropriate;
- reviewing and approving the compensation arrangements in connection with any loss or termination of the office or appointment, or dismissal or removal for the misconduct of the Directors and senior management of the Company, which shall be fair and not excessive;
- 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.

During the Period and up to the date of this annual report, 1 Remuneration Committee meeting was held and, amongst other matters, determined the remuneration of Directors and senior management of the Company 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 Period and up to the date of this annual report 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 16<sup>th</sup> 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 chairlady 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;



## CORPORATE GOVERNANCE REPORT

- 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 of the Company, 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.

During the Period and up to the date of this annual report, 1 Nomination Committee meeting was held and, 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 forthcoming annual general meeting of the Company (the “AGM”).

The attendance of each Director in the capacity of a member of the Nomination Committee at the meeting during the Period and up to the date of this annual report is as follows:

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

### Risk Management Committee

The Risk Management Committee was established on 16<sup>th</sup> 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 chairman 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;
- 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.

## CORPORATE GOVERNANCE REPORT

During the Period and up to the date of this annual report, 1 Risk Management Committee meeting was held and, amongst other matters, reviewed the risk management system 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 Period and up to the date of this annual report is as follows:

Name of Directors	No. of Attendance/ No. of Meetings
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 continuous professional development 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.

### APPOINTMENT AND RE-ELECTION OF DIRECTORS

Mr. Chan Tsang Tieh, an executive Director and the Chairman, has entered into a service agreement with the Company for an initial term of three years commencing on the Listing Date.

Mrs. Donati Chan Yi Mei Amy, an executive Director and the CEO, and each of the INEDs have entered into a letter of appointment with the Company for an initial term of three years commencing on the Listing Date.

Save as disclosed aforesaid, none of the Directors has a service agreement or letter of appointment with the Company or any of its subsidiaries other than the agreement/letters of appointment expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

All the Directors, including INEDs, are subject to retirement by rotation and eligible for re-election in accordance with the Articles of Association. At each AGM, one-third of the Directors for the time being (or, if their number



## CORPORATE GOVERNANCE REPORT

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 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" in this annual report for the Year by band is set out below:

Remuneration band (in HK\$)	Number of individuals
Nil to 1,000,000	3
1,000,001 to 1,500,000	—
1,500,001 to HK\$2,000,000	—
2,000,001 to HK\$2,500,000	1

### INDEPENDENT AUDITOR'S REMUNERATION

For the Year, Martin C.K. Pong & Company ("MCKP") was engaged as the Group's independent auditor. Apart from the provision of annual audit services, MCKP provided the audit and non-audit services in connection with the Listing.

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

Services	Fee paid/payable HK\$'000
Audit services — Annual audit	777
Audit services — Listing	1,000
Non-audit services — Review and taxation	250
Total	2,027

## CORPORATE GOVERNANCE REPORT

### 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.

In addition, MCKP has stated in the independent auditor's report its reporting responsibilities on the Group's consolidated financial statements for the Year.

### 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.

In preparation for the Listing, the Company has engaged an independent internal control consulting firm to perform an overall assessment on the Group's internal control system including the areas of financial, operation, compliance and risk management with the aims of, among other matters, improving the Group's corporate governance and ensuring compliance with the applicable laws and regulations. Based on its internal control review, the independent internal control consulting firm recommended certain internal control improvement measures to the Group and the Group has adopted them.

Recently, 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 are adequate and effective. The Board expects that a review of the risk management and internal control systems will be performed annually.

### 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 requirement 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;



## CORPORATE GOVERNANCE REPORT

- 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 joint company secretaries of the Company (the "**Joint Company Secretaries**") are authorised to communicate with parties outside the Group.

### JOINT COMPANY SECRETARIES

The Company has appointed Ms. Cheng Kwai Yee ("**Ms. Cheng**") who is the chief financial officer of the Company and Mr. Kwok Siu Man ("**Mr. Kwok**") as the Joint Company Secretaries with effect from 22<sup>nd</sup> June 2017.

Mr. Kwok was nominated by Boardroom Corporate Services (HK) Limited ("**Boardroom**") to act as a Joint Company Secretary and

Boardroom has been providing certain corporate secretarial services to the Company pursuant to an engagement letter entered into between the Company and Boardroom. The primary person at the Company with whom Mr. Kwok has been contacting in respect of company secretarial matters is Ms. Cheng.

Each of Ms. Cheng and Mr. Kwok has taken no less than 15 hours of relevant professional training during the Year pursuant to Rule 5.15 of the GEM Listing Rules.

All members of the Board have access to the advice and services of the Joint Company Secretaries. The appointment and removal of the Joint Company Secretaries has been/will be subject to the Board's approval.

### 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

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

## CORPORATE GOVERNANCE REPORT

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 2 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.

### 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, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric 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 chairman of the appropriate committee; and
3. ordinary business matters, such as suggestions, enquiries and client complaints to the appropriate management of the Company.

### 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

Except for the adoption of the amended and restated memorandum of association and Articles of Association (the "M&A") to comply with the applicable legal and regulatory requirements (including the GEM Listing Rules) on 16<sup>th</sup> January 2018 in anticipation of the Listing, there was no change in the constitutional documents of the Company during the Year.

The M&A is available on the respective websites of the Stock Exchange and the Company.

# FINANCIAL STATEMENTS

KEEP GOING! 





# 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 (the "Group") set out on pages 53 to 91, which comprise the consolidated statement of financial position as at 30<sup>th</sup> September 2018; and the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended; and the 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 30<sup>th</sup> September 2018, 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 ("HKSAs") 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. For each matter below, our description of how our audit addressed the matter is provided in that context.



## INDEPENDENT AUDITOR'S REPORT

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Revenue recognition</b></p> <p>The Group uses the stage of completion method to determine the appropriate amount of revenue and costs to be recognised in a given period. The stage of completion is measured by reference to work performed to date as a percentage of total estimated service cost of the contract which may require management judgement.</p>	<ul style="list-style-type: none"> <li>We assessed the reasonableness of the methodology that management used in determining the stage of completion and estimated total service costs based on our knowledge of the Group's business.</li> <li>We tested the Group's processes and systems in recording of the services performed and examined the actual costs incurred.</li> <li>We tested the reasonableness of the total services estimated to be performed and estimated total service costs to complete the project by tracing to the quotations signed with respective customers and assessed the reasonableness of the data used in the estimation with reference to historical records of similar projects.</li> <li>We have also checked the mathematical accuracy of the computation of stage of completion.</li> </ul>
<p><b>Recoverability of trade receivables</b></p> <p>As at 30<sup>th</sup> September 2018, the carrying amount of trade receivables is approximately HK\$26,324,000. Assessment of the recoverability of trade receivables involves a high level of management judgement. Specific factors that management considered in the estimation of the impairment provision including the ageing of the balances, type of customers, existence of disputes, recent historical payment patterns and any other available information concerning the creditworthiness of counterparties. Management used these types of information to determine whether provisions for impairment were required. The extent of judgement resulted in this matter being identified as a key audit matter.</p>	<ul style="list-style-type: none"> <li>We reviewed management's assessment of the indicators of impairment and evaluated the reasonableness of the methods and assumptions used to estimate the impairment loss on trade receivables.</li> <li>We discussed the indicators of possible impairment with the management and, where such indicators were identified, assessed the management's impairment testing. We also evaluated the assumptions and critical judgement used by the management by assessing the reliability of the management's past estimates and taking into account the ageing at year end and subsequent receipts from customers, as well as the recent creditworthiness of each debtor.</li> </ul>

## OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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.



## INDEPENDENT AUDITOR'S REPORT

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 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 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 directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

### 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, 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 HKSAs 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 HKSAs, 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.



## INDEPENDENT AUDITOR'S REPORT

- 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.

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, related safeguards.

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 Pong Chi Kwan, Martin.

**Martin C.K. Pong & Company**  
*Certified Public Accountants*

Hong Kong, 19<sup>th</sup> December 2018



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30<sup>th</sup> September 2018

	Notes	2018 HK\$'000	2017 HK\$'000
Revenue	8	90,611	84,155
Cost of services		(44,451)	(35,264)
Gross profit		46,160	48,891
Other income	9	226	47
Selling and distribution expenses		(4,351)	(3,861)
Administrative expenses		(34,736)	(31,511)
Profit before tax	10	7,299	13,566
Income tax expense	13	(2,562)	(3,350)
Profit for the year		4,737	10,216
Other comprehensive income		—	—
Total comprehensive income for the year attributable to owners of the Company		4,737	10,216
<b>Earnings per share attributable to ordinary equity holders of the Company</b>		<b>HK cents</b>	<b>HK cents</b>
Basic and diluted	15	0.52	1.36



54

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30<sup>th</sup> September 2018

	Notes	2018 HK\$'000	2017 HK\$'000
<b>Non-Current Assets</b>			
Property, plant and equipment	16	650	555
<b>Current Assets</b>			
Amounts due from customers on service contracts	17	10,974	6,768
Trade receivables	18	26,324	23,861
Prepayments and deposits	19	3,705	5,071
Cash and banks balances and time deposits	20	62,389	19,091
<b>Total Current Assets</b>		<b>103,392</b>	54,791
<b>Current Liabilities</b>			
Amounts due to customers on service contracts	17	2,580	1,815
Trade payables	21	7,399	4,501
Other payables and accruals	22	5,509	6,239
Income tax payable		3,272	3,981
<b>Total Current Liabilities</b>		<b>18,760</b>	16,536
<b>Net Current Assets</b>		<b>84,632</b>	38,255
<b>Net Assets</b>		<b>85,282</b>	38,810
<b>Capital and Reserves</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	24	10,000	—
Reserves	25	75,282	38,810
<b>Total Equity</b>		<b>85,282</b>	38,810

The consolidated financial statements were approved for issue by the Board of Directors on 19<sup>th</sup> December 2018 and were signed on its behalf.

**Mr. Chan Tsang Tieh**  
Director

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



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30<sup>th</sup> September 2018

	<b>Share capital</b>	<b>Share premium</b>	<b>Capital reserve</b>	<b>Merger reserve</b>	<b>Retained earnings</b>	<b>Total</b>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Note 24)	(Note 25(i))	(Note 25(ii))	(Note 25(iii))		
At 1 <sup>st</sup> October 2016	—	—	5,074	16	28,504	33,594
Profit and total comprehensive income for the year	—	—	—	—	10,216	10,216
Dividend paid to Controlling Shareholder (Note 14)	—	—	—	—	(5,000)	(5,000)
At 30 <sup>th</sup> September 2017	—	—	5,074	16	33,720	38,810
Profit and total comprehensive income for the year	—	—	—	—	4,737	4,737
Interim dividend (Note 14)	—	—	—	—	(5,000)	(5,000)
Capitalisation issue of shares	7,500	(7,500)	—	—	—	—
Issuance of shares for initial public offering	2,500	52,500	—	—	—	55,000
Share issue expenses	—	(8,265)	—	—	—	(8,265)
<b>At 30<sup>th</sup> September 2018</b>	<b>10,000</b>	<b>36,735</b>	<b>5,074</b>	<b>16</b>	<b>33,457</b>	<b>85,282</b>



56



# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30<sup>th</sup> September 2018

	Notes	2018 HK\$'000	2017 HK\$'000
<b>Cash Flows from Operating Activities</b>			
Profit before tax		7,299	13,566
Adjustments for:			
Interest income		(186)	(3)
Depreciation		254	267
Provision for impairment of trade receivables		632	1,698
<b>Operating cash flows before movements in working capital</b>		7,999	15,528
(Increase)/decrease in:			
— amounts due from customers on services contracts		(4,206)	109
— trade receivables		(3,095)	(7,688)
— prepayments and deposits		1,366	(1,414)
(Decrease)/increase in:			
— amounts due to customers on services contracts		765	398
— trade payables		2,898	259
— other payables and accruals		(730)	1,806
— amount due to Controlling Shareholder		—	(5,000)
Cash generated from operations		4,997	3,998
Income tax paid		(3,271)	(3,115)
<b>Net cash generated from operating activities</b>		1,726	883



## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30<sup>th</sup> September 2018

	Notes	2018 HK\$'000	2017 HK\$'000
<b>Cash Flows from Investing Activities</b>			
Interest received		186	3
Placement of time deposits with maturity over 3 months		(16,000)	—
Purchase property, plant and equipment		(349)	(174)
<b>Net cash used in investing activities</b>		<b>(16,163)</b>	(171)
<b>Cash Flows from Financing Activities</b>			
Proceeds from issuance of new shares	24	55,000	—
Payment for transaction costs attributable to issuance of new shares	24	(8,265)	—
Interim dividend paid	14	(5,000)	—
Dividend paid to Controlling Shareholder	14	—	(5,000)
<b>Net cash from/(used in) financing activities</b>		<b>41,735</b>	(5,000)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>27,298</b>	(4,288)
<b>Cash and cash equivalents, at beginning of year</b>		<b>19,091</b>	23,379
<b>Cash and cash equivalents, at end of year</b>	20	<b>46,389</b>	19,091



58



# 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 20<sup>th</sup> 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 2<sup>nd</sup> 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 26.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) which is the same as the functional currency of the Company and all values are rounded to the nearest thousand (“HK\$’000”) unless otherwise stated.

## 2. REORGANISATION AND BASIS OF PRESENTATION

### Basis of presentation

The Company underwent a group reorganisation (the “Reorganisation”), further details of which are set out in the Company’s prospectus dated 23<sup>rd</sup> January 2018. Pursuant to the Reorganisation, the Company became the holding company of the companies then comprising the Group on 16<sup>th</sup> January 2018, which were under the common control of Mr. Chan (the “Controlling Shareholder”) before and after the Reorganisation. Accordingly, the consolidated financial statements for the year ended 30<sup>th</sup> September 2017 were prepared by applying the principles of merger accounting as if the Reorganisation had been completed at the beginning of the year ended 30<sup>th</sup> September 2017. 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 of the Group for the year ended 30<sup>th</sup> September 2017 included the results and cash flows of all companies now comprising the Group as if the Reorganisation had been completed at the beginning of the year ended 30<sup>th</sup> September 2017. The consolidated statement of financial position of the Group as at 30<sup>th</sup> September 2017 had been prepared to present the assets and liabilities of the subsidiaries and/or business using the existing book values from the Controlling Shareholder’s perspective. No adjustments were made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation. All intra-group transactions and balances have been eliminated on consolidation.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 3. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRSs, which collective term includes all applicable individual HKFRSs, HKASs and Interpretations issued by the HKICPA and accounting principles generally accepted in Hong Kong.

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

The consolidated financial statements have been prepared under the historical cost convention and on a going concern basis. The consolidated financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousands except when otherwise indicated.

#### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 30<sup>th</sup> September 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group 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 (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

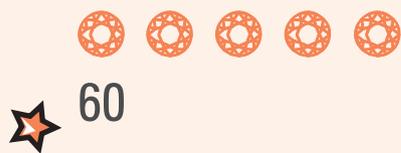
When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

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, 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 holding company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. 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 or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 4. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“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 HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle

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

#### New and revised HKFRSs in issue but not yet effective

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

HKFRS 9	Financial Instruments <sup>1</sup>
HKFRS 15	Revenue from Contracts with Customers and the related Amendments <sup>1</sup>
HKFRS 16	Leases <sup>2</sup>
HKFRS 17	Insurance Contracts <sup>4</sup>
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration <sup>1</sup>
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments <sup>2</sup>
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions <sup>1</sup>
Amendments to HKFRS 4	Applying HKFRS 9 <i>Financial Instruments</i> with HKFRS 4 Insurance Contracts <sup>1</sup>
Amendments to HKFRS 9	Prepayment Features with Negative Compensation <sup>2</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 28	Long-term Interests in Associates and Joint Ventures <sup>2</sup>
Amendments to HKAS 40	Transfers of Investment Property <sup>1</sup>
Amendments to HKFRS	Annual Improvements to HKFRSs 2014–2016 Cycles <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycles <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1<sup>st</sup> January 2018

<sup>2</sup> Effective for annual periods beginning on or after 1<sup>st</sup> January 2019

<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<sup>st</sup> January 2021

Except for the new HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs and Interpretations will have no material impact on the consolidated financial statements in the foreseeable future.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 4. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### HKFRS 9 Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are:

In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39 Financial Instruments: Recognition and Measurement. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The directors of the Company anticipate that the application of the expected credit loss model of HKFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised costs that are subject to the impairment provisions upon the application of HKFRS 9 by the Group.

Except for the expected credit loss model that may result in early provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised cost, the directors of the Company do not expect any other material impact on the results and financial position of the Group based on an analysis of the Group’s existing business model and financial instruments.

#### HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity 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. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 4. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### HKFRS 15 Revenue from Contracts with Customers (Continued)

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognized under input method as a principal for each specified service promised to the customer in the respective reporting periods.

#### HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

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

The HKFRS 16 will be adopted in the financial statements for the year ended 30 September 2020. The directors of the Company are still in the process of assessing the impact of HKFRS 16 on the amounts reported and disclosures made in the Company’s financial statements at the moment. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 16 until the Company performs a detailed review.

### 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Fair value measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

#### Fair value measurement (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit'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.

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 the statement of 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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

#### Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any 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 for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

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 life. 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%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted 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 or disposal. Any gain or loss on disposal or retirement 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.

#### Financial assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

#### Financial assets (Continued)

##### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss. The loss arising from impairment is recognised in profit or loss in finance costs for loans and in other expenses for receivables.

##### *Derecognition of financial assets*

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when (i) the rights to receive cash flows from the asset have expired; or (ii) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

#### Financial assets (Continued)

##### Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

##### Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a Group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to profit or loss.

#### Financial liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of financial assets carried at amortised cost, net of directly attributable transaction costs.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

#### Financial liabilities (Continued)

##### Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

##### *Loans and borrowings*

After initial recognition, loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss and other comprehensive income.

##### *Derecognition of financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

##### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

##### Service contracts in progress

When the outcome of a service contract can be estimated reliably and it is probable that the service contract will be profitable, service revenue is recognised over the period of the contract by reference to the stage of completion of service contract activity at the end of the reporting period. When it is probable that total service costs will exceed total service revenue, the expected loss is recognised as an expense immediately.

When the outcome of a service contract cannot be estimated reliably, service revenue is recognised only to the extent of service costs incurred that are likely to be recoverable.

The Group uses the "percentage of completion method" to determine the appropriate amount of revenue and costs to be recognised in a given period. The stage of completion is measured by reference to work performed to date as a percentage of total estimated service cost for the contract.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

#### Service contracts in progress (Continued)

The Group presents as an asset the gross amounts due from customers on service contracts for all service contracts in progress for which services costs incurred plus recognised profits (less recognised losses) exceed progress billings.

The Group presents as a liability the gross amounts due to customers on service contracts for all service contracts in progress for which progress billings exceed services costs incurred plus recognised profits (less recognised losses).

#### 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 Company's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

#### Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

#### Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (i) Incomes from provision of financial printing, translations and media placement services are recognized based on the stage of completion of the contracts as detailed in "Service contracts in progress".
- (ii) Interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

#### Employee benefits

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the 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 employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer 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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

#### Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

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, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, 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.

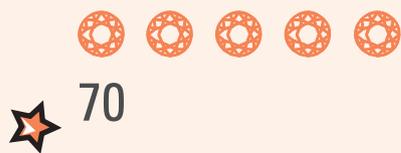
Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (1) when the deferred tax liability arises from the initial recognition of goodwill or 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 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 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. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- (1) when the deferred tax asset relating to the deductible temporary differences 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to 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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

#### Income tax (Continued)

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.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### Foreign currencies

These financial statements are presented in HK\$, which is the Company's functional and presentation currency. 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 initially recorded using their respective functional currency rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency 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.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss and other comprehensive income are translated into HK\$ at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

#### Foreign currencies (Continued)

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

#### 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 of a parent, subsidiary or fellow subsidiary of the other entity);
  - (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;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a); and
  - (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).



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 6. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

#### Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

#### Service contracts in progress

As discussed in "Service contracts in progress" above, revenue for service contracts is recognised based on the stage of completion of the contracts. The stage of completion is measured by reference to management's assessment of the work performed to date as a percentage of the total estimated work to be performed for the contract. Management estimated the total work to be performed for a contract based on their experience and historical records of completed contracts of similar nature, and assessed the work performed to date. The actual outcome for the contract revenue and contract cost may be different from the estimate made by management at the end of the reporting period, and would affect the results of the Group in futures years.

#### Impairment of loans and receivables

The provision policy for doubtful debts of the Group is based on the ongoing evaluation of the collectability and ageing analysis of the outstanding receivables and on the management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each customer. If the financial conditions of the customers and other debtors of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required.

#### Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

#### Estimated useful lives of property, plant and equipment

In determining the useful lives of property, plant and equipment, the Group has to consider various factors, such as expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is made based on the experience of the Group with similar assets that are used in a similar way. Depreciation charge is revised if the estimated useful lives of items of property, plant and equipment are different from the previous estimation. Useful lives are reviewed at the end of each reporting period based on changes in circumstances.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 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.

Reconciliation of segment information to the information presented in the financial statements has not been presented, as the reconciling items are considered to be immaterial.

#### Geographical information

No geographical information is presented as the Group's revenue from the external customers is derived mainly from its operation in Hong Kong and no non-current assets of the Group are located outside Hong Kong.

#### Information about major customers

No information about major customers is presented as no single customer individually contributed to over 10% of the Group's revenue for the year.

### 8. REVENUE

Revenue represents the value of financial printing services rendered for the year ended 30<sup>th</sup> September 2018.

### 9. OTHER INCOME

	2018 HK\$'000	2017 HK\$'000
Bank interest income	186	3
Sundry income	40	44
	226	47



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 10. PROFIT BEFORE TAX

	2018 HK\$'000	2017 HK\$'000
Auditors' remuneration	777	172
Depreciation	254	267
Provision for impairment of trade receivables	632	1,698
Employee benefits expense (including directors' remuneration (note 11))	19,933	21,962
Salaries and allowances	803	811
Pension scheme contributions	20,736	22,773
Listing expenses	8,401	6,779
Minimum lease payments under operating leases	9,948	9,835

### 11. DIRECTORS' REMUNERATION

	Year ended 30 <sup>th</sup> September 2018				Total HK\$'000
	Fees HK\$'000	Salaries, allowances, and benefits- in-kind HK\$'000	Performance related bonuses HK\$'000	Retirement benefit scheme contributions HK\$'000	
<b>Executive directors</b>					
Mr. Chan Tsang Tieh	160	—	—	—	160
Mrs. Donati Chan Yi Mei Amy	80	1,408	—	18	1,506
	240	1,408	—	18	1,666
<b>Independent non-executive directors</b>					
Mr. Li Wai Ming	40	—	—	—	40
Mr. Wan Chun Wai Andrew	40	—	—	—	40
Ms. Chan Chiu Yee Natalie	40	—	—	—	40
	120	—	—	—	120
	360	1,408	—	18	1,786



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 11. DIRECTORS' REMUNERATION (Continued)

	Year ended 30 <sup>th</sup> September 2017				
	Fees HK\$'000	Salaries, allowances, and benefits- in-kind HK\$'000	Performance related bonuses HK\$'000	Retirement benefit scheme contributions HK\$'000	Total HK\$'000
<b>Executive directors</b>					
Mr. Chan Tsang Tieh	—	—	—	—	—
Mrs. Donati Chan Yi Mei Amy	—	1,499	—	18	1,517
	—	1,499	—	18	1,517

The emoluments for the year ended 30<sup>th</sup> September 2017 shown above represents emoluments received and receivable from the Group by these Directors in their capacity as employees to the Group and/or in their capacity as Directors of the Company.

Mr. Chan Tsang Tieh and Mrs. Donati Chan Yi Mei Amy were appointed as executive directors of the Company on 20<sup>th</sup> May 2016 and 22<sup>nd</sup> June 2017 respectively. Mrs. Donati Chan Yi Mei Amy is also the chief executive officer of the Company and her emoluments for the year ended 30<sup>th</sup> September 2018 disclosed above include those for services rendered by her as the chief executive officer.

Mr. Li Wai Ming, Mr. Wan Chun Wai Andrew and Ms. Chan Chiu Yee Natalie were appointed as independent non-executive directors on 15<sup>th</sup> November 2017.

There were no arrangement under which a director 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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 12. FIVE HIGHEST PAID EMPLOYEES

Details of the emoluments of the five highest paid employees included one director (2017: one), detail of whose remuneration are set out in note 11 above. Detail of the remuneration for the year of the remaining (2017: 4) non-directors, higher paid employees are as follows:

	<b>2018</b> <b>HK\$'000</b>	2017 HK\$'000
Salaries, allowances and benefits in kind	<b>1,891</b>	1,649
Performance related bonuses	<b>1,773</b>	2,103
Pension scheme contributions	<b>70</b>	64
	<b>3,734</b>	3,816

The number of highest paid employees whose remuneration fell within the following band is as follows:

	<b>2018</b> <b>HK\$'000</b>	2017 HK\$'000
Nil to HK\$1,000,000	<b>3</b>	3
HK\$1,000,001 to HK\$1,500,000	—	—
HK\$1,500,001 to HK\$2,000,000	—	1
HK\$2,000,001 to HK\$2,500,000	<b>1</b>	—
	<b>4</b>	4

### 13. INCOME TAX EXPENSE

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 13. INCOME TAX EXPENSE (Continued)

Hong Kong profits tax is provided at the tax rate of 8.25% on the first HK\$2,000,000 of the estimated assessable profits arising in Hong Kong during the year and at the rate of 16.5% on the remaining of the estimated assessable profits above HK\$2,000,000 (2017: at a standard rate of 16.5%).

	2018 HK\$'000	2017 HK\$'000
Current — Hong Kong Charge for year	2,562	3,350

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

	2018 HK\$'000	2017 HK\$'000
Profit before tax	7,299	13,566
Tax at statutory tax rates	1,039	2,238
Expenses not deductible for tax	1,391	1,122
Unrecognised temporary differences	(26)	(17)
Tax losses not recognised	158	7
Tax charge at the Group's effective rate	2,562	3,350

### 14. DIVIDENDS

An interim dividend of HK\$0.005 (2017: Nil) per ordinary share totaling of HK\$5,000,000 was paid on 27<sup>th</sup> June 2018.

The Directors resolved to recommend the payment of a final dividend of HK\$0.005 (2017: HK\$Nil) per share payable to those shareholders whose names appeared in the register of members as at the close of business on 7<sup>th</sup> March 2019.

On 31<sup>st</sup> October 2016, a subsidiary of the Company declared an interim dividend to Controlling Shareholder amounting to HK\$5,000,000.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 15. EARNINGS PER SHARE

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

	<b>2018</b> <b>HK\$'000</b>	2017 HK\$'000
Earnings: Profit attributable to owners of the Company for the purpose of calculating basic earnings per share	<b>4,737</b>	10,216
	<b>2018</b> <b>000</b>	2017 000
Number of shares: Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<b>915,068</b>	750,000
	<b>HK cent</b>	HK cents
Basic and diluted earnings per share	<b>0.52</b>	1.36

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

The number of shares for the purpose of calculating basic earnings per share for the year ended 30<sup>th</sup> September 2018 and corresponding period in 2017 has been adjusted for the effect of the Capitalisation Issue (as defined in the Prospectus) (note 24) immediately preceding the completion of the Listing.

The weighted average number of ordinary shares for the purpose of calculating the basic earnings per share for the year ended 30<sup>th</sup> September 2018 has taken into account the assumption that the Reorganisation and the Capitalisation Issue in connection with the listing of the Company had been completed on 1<sup>st</sup> October 2016.



## 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>At cost:</b>					
At 1 <sup>st</sup> October 2016	4,278	547	570	3,888	9,283
Additions	—	—	—	174	174
At 30 <sup>th</sup> September 2017	4,278	547	570	4,062	9,457
Additions	108	41	54	146	349
<b>At 30<sup>th</sup> September 2018</b>	<b>4,386</b>	<b>588</b>	<b>624</b>	<b>4,208</b>	<b>9,806</b>
<b>Aggregate depreciation and impairment:</b>					
At 1 <sup>st</sup> October 2016	4,215	405	565	3,450	8,635
Charge for the year	30	43	4	190	267
At 30 <sup>th</sup> September 2017	4,245	448	569	3,640	8,902
Charge for the year	36	40	6	172	254
<b>At 30<sup>th</sup> September 2018</b>	<b>4,281</b>	<b>488</b>	<b>575</b>	<b>3,812</b>	<b>9,156</b>
<b>Net carrying amount:</b>					
<b>At 30<sup>th</sup> September 2018</b>	<b>105</b>	<b>100</b>	<b>49</b>	<b>396</b>	<b>650</b>
At 30 <sup>th</sup> September 2017	33	99	1	422	555



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 17. AMOUNTS DUE FROM/(TO) CUSTOMERS ON SERVICE CONTRACTS

	2018 HK\$'000	2017 HK\$'000
Contract costs incurred plus attributable profit less foreseeable loss: Progress billings	25,040 (16,244)	15,171 (9,816)
Impairment	8,796 (402)	5,355 (402)
	8,394	4,953
Representing:		
Amounts due from customers on service contracts	10,974	6,768
Amounts due to customers on service contracts	(2,580)	(1,815)
	8,394	4,953

The movements in provision for impairment of amounts due from customers on service contracts are as follows:

	2018 HK\$'000	2017 HK\$'000
At beginning and at end of year	402	402

No provision for impairment of amounts due from customers on service contracts were recognised for the year (2017: Nil).



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 18. TRADE RECEIVABLES

	2018 HK\$'000	2017 HK\$'000
Trade receivables, gross	26,956	23,861
Impairment	(632)	—
	26,324	23,861

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 provisions, is as follows:

	2018 HK\$'000	2017 HK\$'000
Within 30 days	11,145	12,414
31 to 60 days	411	1,865
61 to 90 days	3,915	1,798
91 to 180 days	7,902	4,493
181 days to 1 year	1,892	2,977
Over 1 year	1,059	314
	26,324	23,861

The movements in provision for impairment of trade receivables are as follows:

	2018 HK\$'000	2017 HK\$'000
At beginning of year	—	—
Provision for impairment of trade receivables	632	1,698
Amount written off as uncollectible	—	(1698)
At end of year	632	—



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 18. TRADE RECEIVABLES (Continued)

The aging analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	2018 HK\$'000	2017 HK\$'000
Neither past due nor impaired	15,128	14,257
Less than 30 days past due	5,768	1,820
31 to 60 days past due	1,195	2,808
61 to 90 days past due	1,228	168
91 to 180 days past due	1,286	3,991
181 days to 1 year past due	1,503	514
Over 1 year past due	216	303
	<b>26,324</b>	23,861

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. The Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been any significant change in credit quality and the balances are still considered fully recoverable.

### 19. PREPAYMENTS AND DEPOSITS

	2018 HK\$'000	2017 HK\$'000
Prepayments	260	2,414
Rental and other deposits	3,445	2,657
	<b>3,705</b>	5,071

None of the above assets is either past due or impaired.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 20. CASH AND BANK BALANCES AND TIME DEPOSITS

	2018 HK\$'000	2017 HK\$'000
Cash and bank balances	35,389	19,091
Time deposits	27,000	—
	62,389	19,091
Less: time deposits with maturity date over 3 months	(16,000)	—
Cash and cash equivalents	46,389	19,091

Cash at banks earns interest at floating rates based on daily bank deposit rates. The time deposits are made for varying periods between 3 months and 6 months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposits rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

### 21. 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:

	2018 HK\$'000	2017 HK\$'000
Within 30 days	4,499	2,448
31 to 60 days	1,470	726
61 to 90 days	247	—
91 to 180 days	1,007	1,112
181 days to 1 year	151	185
Over 1 year	25	30
	7,399	4,501

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

### 22. OTHER PAYABLES AND ACCRUALS

	2018 HK\$'000	2017 HK\$'000
Accruals	3,182	4,917
Deposit from customers	2,327	1,322
	5,509	6,239



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 23. DEFERRED TAX

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

	<b>2018</b> HK\$'000	2017 HK\$'000
Tax losses	<b>1,465</b>	506
Deductible temporary differences in respect of tax depreciation	<b>2,349</b>	2,503
	<b>3,814</b>	3,009

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 due to immaterial.

### 24. SHARE CAPITAL

	<b>Number of ordinary shares</b>	<b>Share capital HK\$</b>
Authorised:		
Ordinary shares of HK\$0.01 each		
At 1 <sup>st</sup> October 2016 and 30 <sup>th</sup> September 2017 (note (a))	38,000,000	380,000
Increase in authorised share capital on 16 <sup>th</sup> January 2018 (note (c)(ii))	4,962,000,000	49,620,000
<b>At 30<sup>th</sup> September 2018</b>	<b>5,000,000,000</b>	<b>50,000,000</b>
Issued and fully paid:		
At 1 <sup>st</sup> October 2016 and 30 <sup>th</sup> September 2017	1	—
Reorganisation (note (b))	99	1
Capitalisation issue (note (c)(ii))	749,999,900	7,499,999
Issue of new shares upon listing (note (d))	250,000,000	2,500,000
<b>At 30<sup>th</sup> September 2018</b>	<b>1,000,000,000</b>	<b>10,000,000</b>

Notes:

- (a) The Company is a limited liability company incorporated in the Cayman Islands on 20<sup>th</sup> May 2016 with an authorised share capital of HK\$380,000 divided into 38,000,000 ordinary shares of HK\$0.01 each. At the date of incorporation, 1 ordinary share was issued, nil paid, to the subscriber.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 24. SHARE CAPITAL (Continued)

Notes: (Continued)

- (b) On 16<sup>th</sup> January 2018, the Company issued and allotted 99 shares to Achiever Choice Limited, in order to complete the Reorganisation as disclosed in the Prospectus dated 23<sup>th</sup> January 2018.
- (c) Pursuant to a resolution passed by the Company's sole shareholder on 16<sup>th</sup> January 2018 that:
  - (i) The authorised share capital of the Company was increased from HK\$380,000 to HK\$50,000,000 by the creation of additional 4,962,000,000 shares with par value of HK\$0.01 each;
  - (ii) conditional on the share premium account of the Company having sufficient balance, or otherwise being credited as a result of a global offering, the Directors were authorised to capitalise HK\$7,499,999 standing to the credit of the share premium account of the Company by applying such sum to pay up in full at par a total of 749,999,900 shares for allotment and issue to the sole shareholder.
- (d) On 2<sup>nd</sup> February 2018, the Company issued 250,000,000 new shares at HK\$0.22 per share for total gross proceed of approximately HK\$55,000,000 by way of initial public offering of the Company on the Stock Exchange. The proceeds of HK\$2,500,000, representing the aggregate par value of the above shares of the Company, were credited to the Company's share capital account. The remaining proceeds of HK\$52,500,000, before issuing expenses of HK\$8,265,000, were credited to the share premium account of the Company.

### 25. RESERVES

#### (i) Share premium

For the year ended 30<sup>th</sup> September 2018, the movements in share premium account were resulted from the capitalisation issue and the initial public offering.

#### (ii) Capital reserve

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

#### (iii) Merger reserve

The merger reserve of the Group arose as a result of the Reorganisation completed on 16<sup>th</sup> January 2018 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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 26. SUBSIDIARIES

At 30<sup>th</sup> September 2018, the Group had the following subsidiaries.

Name	Place and date of incorporation/ establishment	Issued/ registered capital	Percentage of equity interest attributable to the Company		Principal activities and place of operation
			2018	2017	
<b>Directly held:</b>					
Top Achiever Global Limited	BVI 1 <sup>st</sup> April 2016	United States dollars ("US\$") 1	100%	100%	Investment holding Hong Kong ("HK")
<b>Indirectly held:</b>					
High Strength Limited	BVI 19 <sup>th</sup> August 2009	US\$1,000	100%	100%	Investment holding HK
High Data Limited	BVI 18 <sup>th</sup> September 2009	US\$1,000	100%	100%	Investment holding HK
EDICO Financial Press Services Limited	HK 9 <sup>th</sup> October 2009	HK\$11,080,000	100%	100%	Provision of integrated financial printing services HK
TOD Translation Services Limited	HK 10 <sup>th</sup> June 2011	HK\$10,000	100%	100%	Provision of translation services HK
Huge Alliance Limited	HK 22 <sup>nd</sup> October 2009	HK\$500,000	100%	100%	Provision of services derived from a tenancy agreement of an office to the Group HK
ORTUS Solutions Limited	HK 18 <sup>th</sup> May 2011	HK\$1	100%	100%	Currently does not carry out any business operations HK

### 27. CONTINGENT LIABILITIES

At 30<sup>th</sup> September 2018, the Group had no significant contingent liabilities.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 28. OPERATING LEASE ARRANGEMENTS

The Group leases certain office properties and equipment under operating lease arrangements. Leases for properties and equipment were for terms ranging from two to five years. Lease payments are fixed during the leases. None of the leases includes contingent rentals.

At 30<sup>th</sup> September 2018, the Group had total future minimum lease payments under non-cancelable operating leases falling due as follows:

	2018 HK\$'000	2017 HK\$'000
Within one year	14,779	9,794
In the second to fifth years, inclusive	35,904	2,535
	50,683	12,329

### 29. RELATED PARTIES TRANSACTIONS

- (a) The Group had no transactions with related parties for the year ended 30<sup>th</sup> September 2018 and 2017.
- (b) Compensation of key management personnel of the Group

All members of key management personnel of the Group are directors of the Company, and their remuneration is disclosed in note 11 to the financial statements.

### 30. FINANCIAL INSTRUMENTS BY CATEGORY

	2018 HK\$'000	2017 HK\$'000
<b>Financial assets</b>		
<i>Loans and receivables</i>		
Trade receivables	26,324	23,861
Financial assets included in prepayments and deposits	3,445	2,657
Cash and bank balances and time deposits	62,389	19,091
	92,158	45,609
<b>Financial liabilities</b>		
<i>Loans and borrowings</i>		
Trade payables	7,399	4,501
Financial liabilities included in other payables and accruals	3,182	4,917
	10,581	9,418



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 31. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments are reasonably approximate to their fair values.

### 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has various financial assets and liabilities such as cash at bank and on hand, trade receivables, rental and other deposits, trade payables, other payables and accruals, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group does not hold or issue derivative financial instruments for trading purposes. The Directors reviews and agrees policies for managing 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. 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.

#### Foreign currency risk

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

Since HK\$ is pegged to US\$ and bank deposits denominated in Renminbi and Sterling Pound 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

Receivable balances are monitored on an ongoing basis and the Group reviews the recoverable amount of each individual debt at the end of the reporting year to ensure that adequate impairment losses are made for irrecoverable amounts. The Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise of cash and bank balances, financial assets included in deposits, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 18.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

#### Liquidity risk

In the management of liquidity risk, the Group's policy is to regularly monitor liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer terms.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

	2018 HK\$'000	2017 HK\$'000
Trade payables	7,399	4,501
Financial liabilities included in other payables and accruals	3,182	4,917
	10,581	9,418

#### 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, return capital to shareholders 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 for the year ended 30<sup>th</sup> September 2018.

The Group monitors capital using a gearing ratio, which is debt divided by the equity. Capital represents the equity attributable to owners of the Company. The gearing ratios as at the end of the reporting period were as follows:

	2018 HK\$'000	2017 HK\$'000
Equity attributable to owners of the Company	85,282	38,810
Gearing ratio	N/A	N/A



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 33. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

#### Statement of financial position of the Company

	2018 HK\$'000	2017 HK\$'000
<b>Current Assets</b>		
Prepayments and deposits	171	—
Amounts due from subsidiaries	6,704	—
Cash and bank balances and time deposits	40,946	—
	<b>47,821</b>	—
<b>Current Liabilities</b>		
Accruals	703	—
	<b>47,118</b>	—
<b>Net assets</b>		
	<b>47,118</b>	—
<b>Capital and Reserves</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	10,000	—
Reserves	37,118	—
	<b>47,118</b>	—
<b>Total Equity</b>		
	<b>47,118</b>	—

The Company's statement of financial position was approved for issue by the Board of Directors on 19<sup>th</sup> December 2018 and were signed on its behalf.

**Mr. Chan Tsang Tieh**  
*Director*

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 33. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

#### Movement in the Company's reserves

	<b>Share premium</b> HK\$'000 (Note 25(i))	<b>Retained profits</b> HK\$'000	<b>Total</b> HK\$'000
At 1 <sup>st</sup> October 2016	—	—	—
Loss and total comprehensive expense for the year	—	—	—
At 30 <sup>th</sup> September 2017	—	—	—
Profit and total comprehensive income for the year	—	5,383	5,383
Interim dividend	—	(5,000)	(5,000)
Capitalisation issue of shares	(7,500)	—	(7,500)
Issuance of shares for initial public offering	52,500	—	52,500
Shares issue expenses	(8,265)	—	(8,265)
<b>At 30<sup>th</sup> September 2018</b>	<b>36,735</b>	<b>383</b>	<b>37,118</b>

### 34. SUBSEQUENT EVENTS

The Group had no significant event requiring disclosure that has taken place subsequent to 30<sup>th</sup> September 2018 and up to the date of this report.



# FINANCIAL SUMMARY

## RESULTS

### For the year ended 30<sup>th</sup> September

	<b>2018</b> HK\$'000	2017 HK\$'000	2016 HK\$'000	2015 HK\$'000
Revenue	<b>90,611</b>	84,155	76,725	65,329
Cost of services	<b>(44,451)</b>	(35,264)	(33,970)	(29,069)
Gross profit	<b>46,160</b>	48,891	42,755	36,260
Other income	<b>226</b>	47	27	11
Selling and distribution expenses	<b>(4,351)</b>	(3,861)	(4,211)	(3,619)
Administrative expenses	<b>(34,736)</b>	(31,511)	(25,128)	(19,851)
Profit before tax	<b>7,299</b>	13,566	13,443	12,801
Income tax expenses	<b>(2,562)</b>	(3,350)	(2,689)	(2,168)
Profit for the year	<b>4,737</b>	10,216	10,754	10,633
Other comprehensive income	<b>—</b>	—	—	—
Total comprehensive income for the year attributable to owners of the Company	<b>4,737</b>	10,216	10,754	10,633

### As at 30<sup>th</sup> September

	<b>2018</b> HK\$'000	2017 HK\$'000	2016 HK\$'000	2015 HK\$'000
<b>Assets and Liabilities</b>				
Total assets	<b>104,042</b>	55,346	52,432	46,407
Total liabilities	<b>18,760</b>	16,536	18,838	23,567
Total capital and reserves	<b>85,282</b>	38,810	33,594	22,840

No financial statements of the Company and its subsidiaries (the "Group") for the year ended 30<sup>th</sup> September 2014 have been published.

The financial information for the years ended 30<sup>th</sup> September 2015, 2016 and 2017 were extracted from the prospectus of the Company dated 23<sup>rd</sup> January 2018. Such summary was prepared as if the current structure of the Group had been in existence throughout these financial years and is presented on the basis as set out in note 2 to the consolidated financial statements.



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