

EDICO Holdings Limited

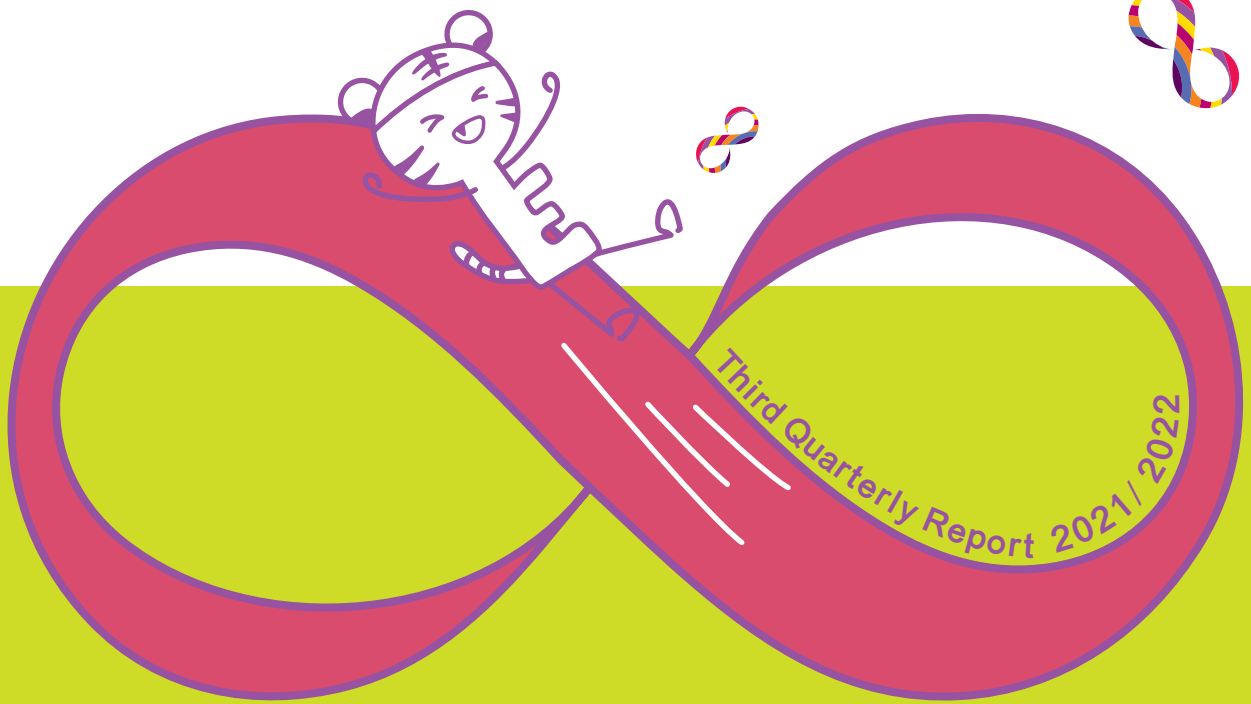
鉅京控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

Stock code : 8450



Once You Become Fearless, Life Becomes Limitless



* For identification purpose only



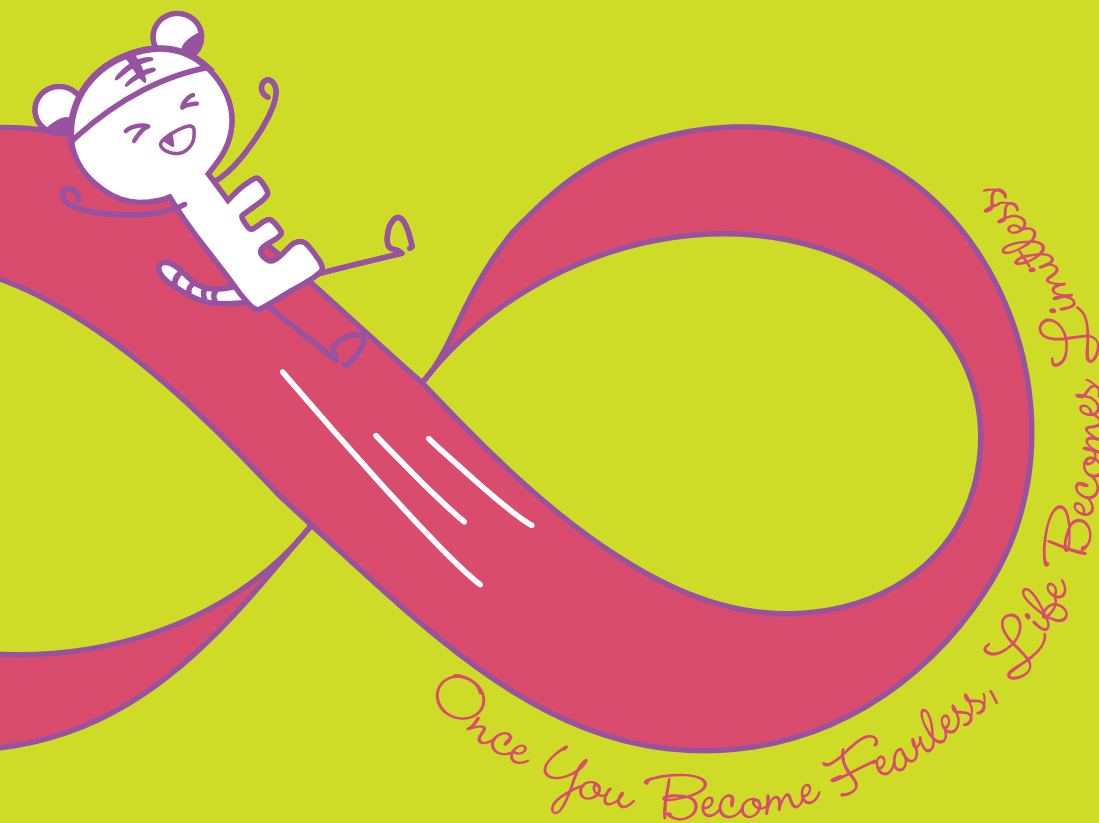
CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE” AND “GEM”, RESPECTIVELY)

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

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

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

- 02** Financial Highlights
- 03** Third Quarterly Results
- 03** Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 04** Unaudited Condensed Consolidated Statement of Changes in Equity
- 05** Notes to the Unaudited Condensed Consolidated Financial Statements
- 10** Management Discussion and Analysis
- 12** Corporate Governance and Other Information



If you get tired, learn to rest not to quit





FINANCIAL HIGHLIGHTS



The Group's unaudited revenue for the nine months ended 30th June 2022 amounted to approximately HK\$33.2 million, decreased by approximately 20.8% as compared to that of the same period in 2021.



The Group's unaudited gross profit for the nine months ended 30th June 2022 amounted to approximately HK\$16.2 million, decreased by approximately 22.5% as compared to that of the same period in 2021.



The Group recorded an unaudited net loss of approximately HK\$4.5 million for the nine months ended 30th June 2022, while the Group had a net profit of approximately HK\$21,000 (restated) for the same period in 2021.



The basic loss per share for the nine months ended 30th June 2022 was HK0.45 cent (nine months ended 30th June 2021 (restated): basic earnings per share of HK0.00 cent).



The board of Directors (the "**Board**") has resolved not to declare the payment of any dividend for the nine months ended 30th June 2022 (HK\$Nil for the nine months ended 30th June 2021).





THIRD QUARTERLY RESULTS

The Board announces the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively the “Group”) for the three months and nine months ended 30th June 2022, together with the relevant comparative figures.

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

For the three months and nine months ended 30th June 2022

	Notes	For the three months ended 30th June		For the nine months ended 30th June	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited and restated)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited and restated)
Revenue	4	19,472	20,608	33,237	41,877
Cost of services		(8,456)	(10,050)	(17,043)	(20,971)
Gross profit		11,016	10,558	16,194	20,906
Other income		497	82	624	1,145
Selling expenses		(558)	(897)	(2,122)	(2,085)
Administrative expenses		(6,093)	(6,748)	(18,588)	(19,584)
Finance costs		(287)	(109)	(647)	(441)
Profit/(loss) before tax		4,575	2,886	(4,539)	(59)
Income tax credit	6	—	—	—	80
Profit/(loss) and total comprehensive income/(loss) for the period attributable to the owners of the Company	7	4,575	2,886	(4,539)	21
		HK cent	HK cent	HK cent	HK cent
Earnings/(loss) per share					
Basic and diluted	9	0.46	0.29	(0.45)	0.00



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30th June 2022

	Attributable to owners of the Company					Total HK\$'000
	Share Capital HK\$'000	Share Premium HK\$'000	Capital Reserve HK\$'000	Merger Reserve HK\$'000	Retained Profits HK\$'000	
At 1st October 2021 (audited)	10,000	36,735	5,074	16	16,093	67,918
Loss and total comprehensive loss for the period	—	—	—	—	(4,539)	(4,539)
At 30th June 2022 (unaudited)	10,000	36,735	5,074	16	11,554	63,379
At 1st October 2020 (audited and restated)	10,000	36,735	5,074	16	17,822	69,647
Profit and total comprehensive income for the period (restated)	—	—	—	—	21	21
At 30th June 2021 (unaudited)	10,000	36,735	5,074	16	17,843	69,668



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30th June 2022

1. GENERAL INFORMATION

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

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

The unaudited condensed consolidated financial statements of the Group for the nine months ended 30th June 2022 (the “**Unaudited Condensed Consolidated Financial Statements**”) are presented in Hong Kong Dollars (“**HK\$**”) which is also the functional currency of the Company and all values are rounded to the nearest thousand (“**HK\$’000**”) unless otherwise stated.

2. BASIS OF PREPARATION

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

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

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

On 1st October 2021, the Group adopted all the amendments to HKFRSs that were effective from that date and were relevant to its operations. The adoption of those amendments to HKFRSs does not result in changes to the Group’s accounting policies and has no material effect on the amounts reported for the current or prior period.



3. APPLICATION OF NEW AND REVISED HKFRSs

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

4. REVENUE

Revenue represents the value of financial printing services rendered.

The following is an analysis of the Group's revenue from its financial printing services during the three and nine months ended 30th June 2021 and 2022:

	For the three months ended 30th June		For the nine months ended 30th June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited and restated)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited and restated)
Listing-related documents	2,263	1,573	5,939	12,629
Periodical reporting documents	12,670	13,321	15,821	16,681
Compliance documents	3,586	4,217	9,967	10,554
Miscellaneous and marketing collaterals (<i>Note</i>)	953	1,497	1,510	2,013
	19,472	20,608	33,237	41,877

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



5. SEGMENT INFORMATION

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

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

6. INCOME TAX CREDIT

	For the three months ended 30th June		For the nine months ended 30th June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Current tax:				
Overprovision in previous period	—	—	—	(80)

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

No provision of Hong Kong profits tax has been made in the Unaudited Condensed Consolidated Financial Statements as the Group had no assessable profits for the period under review or had available tax losses brought forward from prior years to offset the assessable profits generated during the period under review (2021: Nil).



7. PROFIT/(LOSS) FOR THE PERIOD

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

	For the three months ended 30th June		For the nine months ended 30th June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Employee benefits expense (including Directors' emoluments):				
Salaries and allowances	5,749	5,650	16,350	14,706
Pension scheme contributions	213	212	635	591
	5,962	5,862	16,985	15,297
Depreciation of property, plant and equipment	221	228	671	659
Depreciation of right-of-use assets included in cost of services	144	149	439	443
Depreciation of right-of-use assets included in administrative expenses	1,985	2,871	6,842	8,614
Finance costs — interest on lease liabilities included in cost of services	18	26	59	81
Finance costs — interest on lease liabilities included in finance costs	287	109	647	441
Minimum lease payments under operating leases	—	11	—	11



8. DIVIDEND

The Board has resolved not to declare the payment of any dividend for the nine months ended 30th June 2022 (nine months ended 30th June 2021: Nil).

9. EARNINGS/(LOSS) PER SHARE

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

	For the three months ended 30th June		For the nine months ended 30th June	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited and restated)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited and restated)
Earnings/(loss):				
Profit/(loss) attributable to owners of the Company for the purpose of calculating basic earnings/(loss) per share	4,575	2,886	(4,539)	21
	2022 '000	2021 '000	2022 '000	2021 '000
Number of shares:				
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	1,000,000	1,000,000	1,000,000	1,000,000
	HK cents	HK cents	HK cents	HK cents
Basic and diluted earnings/(loss) per share	0.46	0.29	(0.45)	0.00

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



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

During the nine months ended 30th June 2022, the Group recorded a decrease in revenue of approximately 20.8% as compared to that of the same period of last year, which was mainly attributable to the decrease in revenue generated from (i) the listing-related documents segment of approximately HK\$6.7 million from approximately HK\$12.6 million for the nine months ended 30th June 2021 to approximately HK\$5.9 million for the nine months ended 30th June 2022; (ii) the periodical reporting documents segment of approximately HK\$0.9 million from approximately HK\$16.7 million for the nine months ended 30th June 2021 to approximately HK\$15.8 million for the nine months ended 30th June 2022; (iii) the compliance documents segment of approximately HK\$0.6 million from approximately HK\$10.6 million for the nine months ended 30th June 2021 to approximately HK\$10.0 million for the nine months ended 30th June 2022; and (iv) the miscellaneous and marketing collaterals segment of approximately HK\$0.5 million from approximately HK\$2.0 million for the nine months ended 30th June 2021 to approximately HK\$1.5 million for the nine months ended 30th June 2022.

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

FINANCIAL REVIEW

REVENUE

The Group’s revenue decreased from approximately HK\$41.9 million for the nine months ended 30th June 2021 to approximately HK\$33.2 million for the nine months ended 30th June 2022, representing a decrease of approximately 20.8%. Segmentally, revenue generated from the listing-related documents, periodical reporting documents, compliance documents, miscellaneous and marketing collaterals decreased by approximately HK\$6.7 million, HK\$0.9 million, HK\$0.6 million and HK\$0.5 million, respectively. The decrease in revenue was mainly attributable to the delays and cancellations of certain projects during the nine months ended 30th June 2022.

GROSS PROFIT

The Group’s gross profit decreased by approximately 22.5% from approximately HK\$20.9 million for the nine months ended 30th June 2021 to approximately HK\$16.2 million for the nine months ended 30th June 2022. The decrease was generally in line with the decrease of the Group’s revenue during the period under review.

SELLING EXPENSES

The Group’s selling expenses remained relatively stable, which were approximately HK\$2.1 million for the nine months ended 30th June 2021 and 2022.



ADMINISTRATIVE EXPENSES

The Group's administrative expenses decreased from approximately HK\$19.6 million for the nine months ended 30th June 2021 to approximately HK\$18.6 million for the nine months ended 30th June 2022. The decrease was mainly attributable to the decrease of depreciation of right-of-use assets despite the increase in staff costs.

INCOME TAX CREDIT

There was no income tax expense for the Group for the nine months ended 30th June 2022 as the Group had no assessable profits for the period under review, or available tax losses brought forward from prior years being utilized (nine months ended 30th June 2021: income tax expense of HK\$Nil). The income tax credit represented over-provision for income tax in previous period.

PROFIT/(LOSS) FOR THE PERIOD

The Group recorded a loss for the period of approximately HK\$4.5 million for the nine months ended 30th June 2022 as compared with the profit for the period of approximately HK\$21,000 for the nine months ended 30th June 2021. The change was primarily due to the decrease of the Group's revenue during the nine months ended 30th June 2022.

FOREIGN CURRENCY EXPOSURE

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

CAPITAL COMMITMENTS

As at 30th June 2022, apart from the implementation plans, capital needs and financing plans as stated in the sections headed "Future Plans and Use of Proceeds" and "Financial Information" of the prospectus of the Company dated 23rd January 2018 (the "**Prospectus**"), the Group had no other new implementation plans or financing plans.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30th June 2022 (30th June 2021: Nil).

DIVIDEND

The Board has resolved not to declare the payment of any dividend for the nine months ended 30th June 2022 (30th June 2021: Nil).

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant events requiring disclosure that have occurred after 30th June 2022 and up to the date of this report.



CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE OF INTERESTS

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

As at 30th June 2022, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long position in the shares of the Company (the “Shares”)

Name of Director	Capacity	Nature of interests	Number of Shares held	Percentage of interest in the Company
Mr. Chan (<i>Note</i>)	Interest in a controlled corporation	Corporate interest	560,000,000	56%

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

Long position in the ordinary shares of associated corporation

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

Save as disclosed above and so far as is known to the Directors, as at 30th June 2022, none of the Directors nor the chief executive of the Company had or was deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which had been (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, entered in the register referred to therein; or (c) notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.



(B) INTERESTS OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

As at 30th June 2022, so far as is known to the Directors, the person and entity (not being a Director or the chief executive of the Company) had, or were deemed to have, interests or short positions (directly or indirectly) in the Shares or underlying Shares that would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long position in the Shares

Name of shareholder	Capacity	Nature of interests	Number of Shares held	Percentage of interest in the Company
Achiever Choice (<i>Note</i>)	Beneficial owner	Personal interest	560,000,000	56%
Yuen Sin Yee Claudia	Beneficial owner	Personal interest	192,200,000	19%

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

Save as disclosed above and so far as is known to the Directors, as at 30th June 2022, the Directors were not aware of any other entity which or person (other than a Director or the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares that had been disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

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

As no share options have been granted by the Company under the Share Option Scheme since its adoption, there was no share option outstanding as at 30th June 2022 and no share options were exercised or cancelled or lapsed during the nine months ended that date.

COMPETING INTERESTS

None of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company or any of their respective close associates (as defined in the GEM Listing Rules) had any business or interest in a business that competed or might compete with the business of the Group and had or might have any other conflicts of interest with the Group during the nine months ended 30th June 2022.



CODE OF CORPORATE GOVERNANCE PRACTICES

The Company endeavours to adopt prevailing best corporate governance practices. During the nine months ended 30th June 2022, the Company had complied with all the code provisions of the Corporate Governance Code as contained in Appendix 15 to the GEM Listing Rules.

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

During the nine months ended 30th June 2022, the Company did not redeem any of its listed securities, nor did the Company and any of its subsidiaries purchase or sell such securities.

AUDIT COMMITTEE

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

The Audit Committee has reviewed the unaudited condensed consolidated results of the Group for the nine months ended 30th June 2022 and this report and is of the opinion that such results have been prepared in compliance with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

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

Hong Kong, 9th August 2022

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