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EDICO Holdings Limited

鉅京控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8450)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 MARCH 2018

The board (the “**Board**”) of directors (the “**Directors**”) of EDICO Holdings Limited (the “**Company**”) announces the unaudited results of the Company and its subsidiaries for the six months ended 31 March 2018.

This announcement, containing the full text of the 2017/2018 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) in relation to the information to accompany preliminary announcements of interim results. Printed version of the 2017/2018 interim report of the Company containing the information required by the GEM Listing Rules will be despatched to the shareholders of the Company in due course.

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

Hong Kong, 9 May 2018

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 announcement 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 announcement misleading.

This announcement will remain on the “Latest Company Announcements” page on the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company’s website at www.edico.com.hk.

* for identification only

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

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

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*This report, for which the directors of EDICO Holdings Limited (the “**Company**” and the “**Directors**”, respectively) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

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FINANCIAL HIGHLIGHTS

- The Group's unaudited revenue for the six months ended 31 March 2018 amounted to approximately HK\$38.0 million, increased by approximately 24.4% as compared to that of the same period in 2017.
- The Group's unaudited gross profit for the six months ended 31 March 2018 amounted to approximately HK\$19.4 million, increased by approximately 21.2% as compared to that of the same period in 2017.
- The Group recorded an unaudited net loss of approximately HK\$3.5 million for the six months ended 31 March 2018, while the Group had a net profit of approximately HK\$1.1 million for the six months ended 31 March 2017.
- The basic loss per share for the six months ended 31 March 2018 was HK0.43 cent (six months ended 31 March 2017: basic earnings per share of HK0.15 cent).
- The Board has resolved to declare an interim dividend for the six months ended 31 March 2018 of HK\$0.005 per share (HK\$Nil per share for the six months ended 31 March 2017) to shareholders whose names appear on the register of members of the Company at the close of business on Friday, 15 June 2018. The interim dividend will be paid on or about Friday, 29 June 2018. No dividend has been paid or declared by the Company since its date of incorporation. None of the subsidiaries of the Company declared any dividend to its then shareholders for the six months ended 31 March 2017 save that on 31 October 2016, a subsidiary of the Company declared dividend to its then shareholder amounting to HK\$5.0 million.



INTERIM RESULTS

The board of Directors (the “**Board**”) announces the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months and three months ended 31 March 2018, together with the relevant comparative unaudited/audited figures.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 31 March 2018

	Note	For the three months ended 31 March		For the six months ended 31 March	
		2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Revenue	3	11,163	20,465	38,034	30,576
Cost of services		(8,020)	(9,681)	(18,670)	(14,601)
Gross profit		3,143	10,784	19,364	15,975
Other income		5	—	10	1
Selling and distribution expenses		(959)	(1,362)	(1,815)	(1,712)
Administrative expenses		(12,134)	(7,197)	(20,000)	(12,600)
(Loss)/profit before tax		(9,945)	2,225	(2,441)	1,664
Income tax credit/(expense)	5	533	(515)	(1,088)	(515)
(Loss)/profit and total comprehensive (loss)/income for the period attributable to the owners of the Company	6	(9,412)	1,710	(3,529)	1,149
		HK cents	HK cents	HK cents	HK cents
(Loss)/earnings per share					
Basic and diluted	8	(1.03)	0.23	(0.43)	0.15

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	Note	As at 31 March 2018 HK\$'000 (Unaudited)	As at 30 September 2017 HK\$'000 (Audited)
Non-current Assets			
Property, plant and equipment	9	585	555
Current Assets			
Amounts due from customers on service contracts	10	9,580	6,768
Trade receivables	11	10,697	23,861
Prepayments, deposits and other receivables		3,185	5,071
Cash and cash equivalents		68,548	19,091
Total Current Assets		92,010	54,791
Current Liabilities			
Amounts due to customers on service contracts	10	2,118	1,815
Trade payables	12	2,334	4,501
Other payables and accruals	13	4,022	6,239
Income tax payable		2,105	3,981
Total Current Liabilities		10,579	16,536
Net Current Assets		81,431	38,255
Net Assets		82,016	38,810
Capital and Reserves			
Equity attributable to owners of the Company			
Share capital	14	10,000	—
Reserves		72,016	38,810
Total Equity		82,016	38,810

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*For the six months ended 31 March 2018*

	Attributable to owners of the Company					Total HK\$'000
	Share Capital HK\$'000 (Note i)	Share Premium HK\$'000 (Note ii)	Capital Reserve HK\$'000 (Note iii)	Merger Reserve HK\$'000 (Note iv)	Retained Earnings HK\$'000	
At 1 October 2017 (audited)	—	—	5,074	16	33,720	38,810
Loss and total comprehensive loss for the period	—	—	—	—	(3,529)	(3,529)
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)
At 31 March 2018 (unaudited)	10,000	36,735	5,074	16	30,191	82,016
At 1 October 2016 (audited)	—	—	5,074	16	28,504	33,594
Profit and total comprehensive income for the period	—	—	—	—	1,149	1,149
Dividend paid to controlling shareholder	—	—	—	—	(5,000)	(5,000)
At 31 March 2017 (unaudited)	—	—	5,074	16	24,653	29,743

Notes:

- (i) The Company is a limited liability company incorporated in the Cayman Islands on 20 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.
- (ii) During the six months ended 31 March 2018, the movements in share premium account were resulted from the capitalisation issue and the initial public offering as described in note 14.
- (iii) The capital reserve of the Group represented the difference between the cost of investment and the capital of a subsidiary.
- (iv) The merger reserve of the Group arose as a result of the reorganisation completed on 16 January 2018 and represented the difference between the nominal value of new shares issued for the exchange of the shares of the subsidiary under the reorganisation and the carrying amount of its share of the subsidiary's own equity items.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 March 2018

	Six months ended 31 March	
	2018	2017
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash from/(used in) operating activities	2,872	(3,515)
Cash Flows from Investing Activities		
Interest received	5	1
Purchase of property, plant and equipment	(155)	(174)
Net cash used in investing activities	(150)	(173)
Cash Flows from Financing Activities		
Proceeds from issuance of new shares by way of initial public offering	55,000	—
Payment for transaction costs attributable to issuance of new shares	(8,265)	—
Dividend paid to controlling shareholder	—	(5,000)
Net cash from/(used in) financing activities	46,735	(5,000)
Net increase/(decrease) in cash and cash equivalents	49,457	(8,688)
Cash and cash equivalents at the beginning of period	19,091	23,379
Cash and cash equivalents at the end of the period	68,548	14,691

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2018

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

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

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.

Pursuant to the reorganisation of the Group (the “**Reorganisation**”) in connection with the listing of the Shares on GEM (the “**Listing**”), the Company became the holding company of the companies comprising the Group on 16 January 2018. Details of the Reorganisation are set out under the section headed “History, Reorganisation and Corporate Structure” in the prospectus of the Company dated 23 January 2018 (the “**Prospectus**”).

2. Basis of Preparation

These condensed consolidated interim financial statements for the six months ended 31 March 2018 have been prepared in accordance with the applicable Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the condensed consolidated interim financial statements are consistent with those adopted in preparing the audited financial statements for the year ended 30 September 2017.

On 1 October 2017, the Group adopted all the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”), amendments and interpretations that were effective from that date and were relevant to its operations. The adoption of these new/revised HKFRSs, amendments and interpretations does not result in changes to the Group’s accounting policies and has no material effect on the amounts reported for the current or prior period.

The condensed consolidated financial statements have been prepared under the historical cost basis.

3. Revenue

Revenue represents the value of financial printing services rendered.

The following is an analysis of the Group's revenue from its financial printing services during the three and six months ended 31 March 2017 and 2018:

	For the three months ended 31 March		For the six months ended 31 March	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Listing-related documents	5,794	12,333	25,655	16,929
Periodical reporting documents	2,122	3,056	4,587	5,408
Compliance documents	2,710	4,927	6,190	7,813
Miscellaneous and marketing collaterals (Note)	537	149	1,602	426
	11,163	20,465	38,034	30,576

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

4. 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.

5. Income Tax Credit/(Expense)

	For the three months ended 31 March		For the six months ended 31 March	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax:				
Hong Kong Profits tax	533	(515)	(1,088)	(515)

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits for both periods.

Deferred tax assets are measured at the tax rates of 16.5% that are expected to apply in the relevant period in which the liability is settled or the asset is realized.

The Company is an exempted company incorporated in the Cayman Islands. As such, there are no taxes on individuals or corporations based upon profits, income, gains or appreciations and there are no other taxes likely to be material to the Company levied by the government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments.

6. (Loss)/Profit for the Period

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

	For the three months ended 31 March		For the six months ended 31 March	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Employee benefits expense (including Directors' emoluments):				
Salaries and allowances	5,112	5,059	9,888	9,492
Pension scheme contributions	207	214	396	413
	5,319	5,273	10,284	9,905
Depreciation of property, plant and equipment	62	62	125	140
Listing expenses	6,120	1,465	8,401	1,572
Minimum lease payments under operating leases	2,468	2,450	4,925	4,908
Provision for impairment of trade receivables	—	800	—	800

7. Dividends

An interim dividend for the six months ended 31 March 2018 of HK\$0.005 (for the six months ended 31 March 2017: HK\$Nil) per share, amounting to HK\$5 million (for the six months ended 31 March 2017: HK\$Nil), was declared by the Board on 9 May 2018. No dividend has been paid or declared by the Company since its date of incorporation. None of the subsidiaries of the Company declared any dividend to its then shareholders for the six months ended 31 March 2017 save that on 31 October 2016, a subsidiary of the Company declared dividend to its then shareholder amounting to HK\$5.0 million.

8. (Loss)/Earnings Per Share

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

	For the three months ended 31 March		For the six months ended 31 March	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
(Loss)/earnings: (Loss)/profit attributable to owners of the Company for the purpose of calculating basic (loss)/earnings per share	(9,412)	1,710	(3,529)	1,149
	2018 '000	2017 '000	2018 '000	2017 '000
Number of shares: Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	911,111	750,000	829,670	750,000
	HK cents	HK cents	HK cents	HK cents
Basic and diluted (loss)/earnings per share	(1.03)	0.23	(0.43)	0.15

The diluted (loss)/earnings per Share is equal to the basic (loss)/earnings per Share as there were no dilutive potential ordinary Shares outstanding during the six months ended 31 March 2018 and 2017.

The number of Shares for the purpose of calculating basic (loss)/earnings per Share for the three months ended and six months ended 31 March 2018 and corresponding periods in 2017 has been adjusted for the effect of the Capitalisation Issue (as defined in the Prospectus) immediately preceding the completion of the Listing.

The weighted average number of ordinary Shares for the purpose of calculating basic loss per Share for the six months ended 31 March 2018 has taken into account the assumption that the Capitalisation Issue (as defined in the Prospectus) had been effective on 1 October 2016 and the issuance of Shares upon the initial public offering as described fully in note 14.

8. (Loss)/Earnings Per Share (Continued)

The weighted average number of ordinary Shares for the purpose of calculating basic earnings per Share for the six months ended 31 March 2017 has taken into account the assumption that the Capitalisation Issue (as defined in the Prospectus) had been effective on 1 October 2016 as described fully in note 14.

9. Property, Plant and Equipment

For the six months ended 31 March 2018, the Group acquired plant and equipment with an aggregate cost of approximately HK\$155,000 (31 March 2017: approximately HK\$174,000).

10. Amounts Due from Customers on Service Contracts

	As at 31 March 2018 HK\$'000 (Unaudited)	As at 30 September 2017 HK\$'000 (Audited)
Contract costs incurred plus attributable profit less foreseeable loss Progress billing	18,589 (10,725)	15,171 (9,816)
Impairment	7,864 (402)	5,355 (402)
	7,462	4,953
Representing:		
Amounts due from customers on service contracts	9,580	6,768
Amounts due to customers on service contracts	(2,118)	(1,815)
	7,462	4,953

11. Trade Receivables

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

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

	As at 31 March 2018 HK\$'000 (Unaudited)	As at 30 September 2017 HK\$'000 (Audited)
Within 30 days	4,296	12,414
31 to 60 days	2,679	1,865
61 to 90 days	526	1,798
91 to 180 days	861	4,493
181 to one year	2,112	2,977
Over one year	223	314
	10,697	23,861

12. Trade Payables

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

	As at 31 March 2018 HK\$'000 (Unaudited)	As at 30 September 2017 HK\$'000 (Audited)
Within 30 days	1,974	2,448
31 to 60 days	65	726
61 to 90 days	1	—
91 to 180 days	245	1,112
181 to one year	20	185
Over one year	29	30
	2,334	4,501

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

13. Other Payables and Accruals

	As at 31 March 2018 HK\$'000 (Unaudited)	As at 30 September 2017 HK\$'000 (Audited)
Accruals	2,069	4,917
Deposit from customers	1,953	1,322
	4,022	6,239

14. Share Capital

	Number of ordinary shares	Share capital HK\$
Authorised:		
Ordinary shares of HK\$0.01 each		
At 1 October 2016 and 30 September 2017	38,000,000	380,000
Increase in authorised share capital on 16 January 2018 (note (a)(i))	4,962,000,000	49,620,000
	5,000,000,000	50,000,000
Issued and fully paid:		
At 1 October 2016 and 30 September 2017 (audited)	100	1
Issue of new shares upon completion of Reorganisation (note (a)(iii))	749,999,900	7,499,999
Issue of new shares upon listing (note (b))	250,000,000	2,500,000
At 31 March 2018 (unaudited)	1,000,000,000	10,000,000

Notes:

- (a) The Company's sole shareholder passed written resolutions on 16 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 of a 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.
- (b) On 2 February 2018, the Company issued 250,000,000 new shares at HK\$0.22 per share for a total gross proceeds 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, were credited to the share premium account of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

During the six months ended 31 March 2018, the Group achieved a growth in revenue of approximately 24.4% as compared to the same period of last year, which was mainly attributable to the increase in revenue generated from the (i) listing-related documents segment of approximately HK\$8.7 million from approximately HK\$16.9 million for the six months ended 31 March 2017 to approximately HK\$25.6 million for the six months ended 31 March 2018; and (ii) miscellaneous and marketing collaterals segment of approximately HK\$1.2 million from approximately HK\$426,000 for the six months ended 31 March 2017 to approximately HK\$1.6 million for the six months ended 31 March 2018. Such increase was mainly attributable to the successful expansion of the Group's customer base of companies listed on the Stock Exchange for the six months ended 31 March 2018.

The Shares were successfully listed on GEM on 2 February 2018 (the "**Listing**") by initial public offering. For further information in relation to the Listing, please refer to the Prospectus. After deducting all the relevant commissions and expenses borne by the Company, the Company received approximately HK\$28.7 million of net proceeds from the Listing. Such net proceeds are intended to be utilised in accordance with the proposed applications set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

Non-recurring listing expenses of approximately HK\$8.4 million have been recognised during the six months ended 31 March 2018, which partially off-set the positive effect of the increase in revenue brought to the Group during the six months ended 31 March 2018. As a result, the Group turned from a profit of approximately HK\$1.1 million for the six months ended 31 March 2017 to a loss of approximately HK\$3.5 million for the six months ended 31 March 2018.

The net proceeds from the Listing will provide us with additional capital to implement our future plans, which, in turn, will enhance our competitiveness in the operative market through securing more customers and expanding our targetted market presence. In addition, the Listing has allowed us to gain access to the capital market that facilitates the future growth of our Group.

Financial Review

Revenue

The Group's revenue increased from approximately HK\$30.6 million for the six months ended 31 March 2017 to approximately HK\$38.0 million for the six months ended 31 March 2018, representing an increase of approximately 24.4%. Segmentally, revenue generated from the listing-related documents and revenue generated from miscellaneous and marketing collaterals increased by approximately HK\$8.7 million and approximately HK\$1.2 million, respectively whereas revenue related to periodical reporting documents and compliance documents decreased by approximately HK\$0.8 million and approximately HK\$1.6 million, respectively.

Cost of services

The Group's cost of services mainly included translation cost, printing cost and staff cost, which represented approximately 36.2%, 24.6% and 24.7%, respectively of the Group's total cost of services for the six months ended 31 March 2018. The Group's cost of services increased from approximately HK\$14.6 million for the six months ended 31 March 2017 to approximately HK\$18.7 million for the six months ended 31 March 2018, representing an increase of approximately 27.9%. The increase in cost of services was generally in line with the Group's revenue growth during the period under review.

Gross profit

The Group's gross profit increased from approximately HK\$16.0 million for the six months ended 31 March 2017 to approximately HK\$19.4 million for the six months ended 31 March 2018, representing an increase of approximately 21.2%. The increase was mainly attributable to the increase in revenue generated from the listing-related documents and miscellaneous and marketing collaterals.

Other income

The Group's other income was approximately HK\$1,000 and approximately HK\$10,000 for the six months ended 31 March 2017 and 2018 respectively, which remained relatively stable.

Selling and distribution expenses

The Group's selling and distribution expenses increased from approximately HK\$1.7 million for the six months ended 31 March 2017 to approximately HK\$1.8 million for the six months ended 31 March 2018. The increase was mainly attributable to the increase in staff cost and entertainment expenses.

Administrative expenses

The Group's administrative expenses increased from approximately HK\$12.6 million for the six months ended 31 March 2017 to approximately HK\$20.0 million for the six months ended 31 March 2018. The increases was mainly attributable to the non-recurring listing expenses of approximately HK\$8.4 million.

Income tax expense

The Group's income tax expense increased from approximately HK\$515,000 for the six months ended 31 March 2017 to approximately HK\$1.1 million for the six months ended 31 March 2018. The increase was mainly attributable to the increase in revenue.

Loss for the period

The Group recorded a loss after tax of approximately HK\$3.5 million for the six months ended 31 March 2018 as compared with a profit after tax of approximately HK\$1.1 million for the six months ended 31 March 2017. The change was mainly attributable to the non-recurring listing expenses of approximately HK\$8.4 million recognised during the six months ended 31 March 2018, which partially off-set the positive effect of the increase in revenue brought to the Group during the six months ended 31 March 2018.

Liquidity, Financial Resources and Capital Structure

Our primary use of cash is to satisfy our working capital and capital expenditure needs. Historically, our Group's use of cash has mainly been financed through a combination of cash received from the sales of our products and financial support from our shareholder.

As at 31 March 2018, our Group had cash and cash equivalents of approximately HK\$68.5 million and did not have any bank borrowings. Going forward, we believe that our 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, our Group's operation will be funded by internally generated cash flows and, if necessary, additional equity and/or debt financing.

As at 31 March 2018, our Group's current assets amounted to approximately HK\$92.0 million and current liabilities amounted to approximately HK\$10.6 million. Current ratio was 8.7 as at 31 March 2018 (30 September 2017: 3.3).

Capital Expenditure

For the six months ended 31 March 2018, our capital expenditure amounted to approximately HK\$155,000 and mainly arose from expenditures for purchase of office equipment.

Use of Proceeds from the Listing

The Shares were listed on GEM on 2 February 2018 with net proceeds received by the Company from the Share Offer (as defined in the Prospectus) in the amount of approximately HK\$28.7 million after deducting underwriting commission and all related listing expenses. The net proceeds received from the Share Offer will be used in the manner consistent with that set out in the section headed “Future Plans and Use of Proceeds” of the Prospectus.

The Group is in the process of identifying (a) feasible solutions for upgrading our central office, and upgrading and acquiring equipment and software; and (b) high-caliber personnel for expanding our workforce. As at 31 March 2018, all of the unused proceeds were deposited in a licensed bank in Hong Kong.

Gearing Ratio

Gearing ratio is calculated as net debt (comprising trade payables, other payables and accruals, and tax payable, less cash and cash equivalents) at the end of the respective period divided by total equity. Gearing ratio as at 31 March 2018 was 0% (30 September 2017: 0%).

Foreign Currency Exposure

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

Capital Commitments

As at 31 March 2018, apart from the implementation plans, capital needs and financing plans as stated in the sections headed “Future Plans and Use of Proceeds” and “Financial Information” of the Prospectus, the Group had no other new implementation plans or financing plans.

Contingent Liabilities

The Group had no significant contingent liabilities as at 31 March 2018 (31 March 2017: Nil).

Material Acquisitions or Disposals of Subsidiaries, Associates and Joint Ventures

Apart from the Reorganisation in relation to the Listing as disclosed in the Prospectus, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group during the six months ended 31 March 2018.

Significant Investments

As at 31 March 2018, the Group did not hold any significant investments.

Charge on the Group’s assets

As at 31 March 2018, the Group had no charges on the Group’s assets.

Employees and Remuneration Policies

As at 31 March 2018, we had a total headcount of 62 full-time employees (31 March 2017: 64 full-time employees). The Group's employee benefit expenses mainly included salaries, wages, discretionary bonus, other staff benefits and contributions to retirement schemes. Remuneration is determined by reference to the market conditions and the performance, qualification and experience of individual employee.

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

Dividend

The Board has resolved to declare an interim dividend for the six months ended 31 March 2018 of HK\$0.005 per share (HK\$Nil per share for the six months ended 31 March 2017) to shareholders whose names appear on the register of members of the Company at the close of business on Friday, 15 June 2018. The interim dividend will be paid on or about Friday, 29 June 2018. No dividend has been paid or declared by the Company since its date of incorporation. None of the subsidiaries of the Company declared any dividend to its then shareholders for the six months ended 31 March 2017 save that on 31 October 2016, a subsidiary of the Company declared dividend to its then shareholder amounting to HK\$5.0 million.

Closure of Register of Members

For the purpose of determining members' entitlement to the interim dividend, the register of members of the Company will be closed from Tuesday, 12 June 2018 to Friday, 15 June 2018, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the interim dividend, the non-registered shareholders must lodge all transfer documents, accompanied by the relevant share certificates with the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (H.K.) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Monday, 11 June 2018.

Events After the Reporting Period

The Board is not aware of any significant events requiring disclosure that have occurred after 31 March 2018 and up to the date of this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Disclosure of Interests

(a) Interests and short positions of Directors and chief executives in the shares, underlying shares and debentures of the Company and our associated corporations

As at 31 March 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 (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 of the Board 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 31 March 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.

(b) Interests of substantial shareholders of the Company

As at 31 March 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 31 March 2018, the Directors were not aware of any other entity 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 of the Company by way of written resolutions on 16 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 31 March 2018 and no options were exercised or cancelled or lapsed during the six months ended that date.

Competing Interests

None of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company or any of their respective close associates (as defined in the GEM Listing Rules) had any business or interest in a business that competed or might compete with the business of the Group and any other conflicts of interest which any such person had or might have with the Group during the six months ended 31 March 2018.

Interest of the 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 31 March 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 under 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.

Code of Corporate Governance Practices

The Company endeavors to adopt prevailing best corporate governance practices. During the period from the Listing Date to 31 March 2018, save for the deviation from code provision A.1.8 of the Corporate Governance Code as contained in Appendix 15 to the GEM Listing Rules (the “**CG Code**”), the Company has complied with all the code provisions set out in the CG Code.

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 during the six months ended 31 March 2018. In addition, 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 has been arranged by the Company in early May 2018 and accordingly, the Company has complied with code provision A.1.8 of the CG Code.

Directors’ Securities Transactions

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Required Standard of Dealings**”) as its own code of conduct governing the securities transactions by the Directors. The Company had also made specific enquiries of all the Directors and each of them has confirmed that he/she had complied with the Required Standard of Dealings during the period from the Listing Date to 31 March 2018.

Purchase, Sale or Redemption of the Company’s Listed Securities

The Shares were initially listed on GEM on the Listing Date. Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the period from the Listing Date to 31 March 2018.

Audit Committee

The financial information 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 provision of 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 Company for the six months ended 31 March 2018 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, 9 May 2018

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