

**THE COMPANIES LAW**  
**EXEMPTED COMPANY LIMITED BY SHARES**  
**AMENDED AND RESTATED**  
**MEMORANDUM OF ASSOCIATION**  
**OF**

**EDICO Holdings Limited**

(Adopted by a special resolution dated 16 January 2018)

1. The name of the Company is **EDICO Holdings Limited**.
2. The Registered Office of the Company shall be at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
3. Subject to the following provisions of this Memorandum, the objects for which the Company is established are unrestricted and shall include, but without limitation:
  - (a) to act and to perform all the functions of a holding company in all its branches and to coordinate the policy and administration of any subsidiary company or companies wherever incorporated or carrying on business or of any group of companies of which the Company or any subsidiary company is a member or which are in any manner controlled directly or indirectly by the Company;
  - (b) to act as an investment company and for that purpose to subscribe, acquire, hold, dispose, sell, deal in or trade upon any terms, whether conditionally or absolutely, shares, stock, debentures, debenture stock, annuities, notes, mortgages, bonds, obligations and securities, foreign exchange, foreign currency deposits and commodities, issued or guaranteed by any company wherever incorporated, or by any government, sovereign, ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, by original subscription, tender, purchase, exchange, underwriting, participation in syndicates or in any other manner and whether or not fully paid up, and to meet calls thereon.

4. Subject to the following provisions of this Memorandum, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of the Companies Law (Revised).
5. Nothing in this Memorandum shall permit the Company to carry on a business for which a licence is required under the laws of the Cayman Islands unless duly licensed.
6. The Company shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this clause shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.
7. The liability of each member is limited to the amount from time to time unpaid on such member's shares.
8. The share capital of the Company is HK\$50,000,000 divided into 5,000,000,000 shares of a nominal or par value of HK\$0.01 each, with the power for the Company, insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said share capital subject to the provisions of the Companies Law (Revised) and the Articles of Association of the Company and to issue any part of its capital, whether original, redeemed or increased, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions; and so that, unless the conditions of issue shall otherwise expressly declare, every issue of shares, whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained.
9. The Company may exercise the power contained in the Companies Law to deregister in the Cayman Islands and be registered by way of continuation in another jurisdiction.



The Companies Act (As Revised)  
Exempted Company Limited by Shares

**AMENDED AND RESTATED ARTICLES OF ASSOCIATION**

**OF**

**EDICO Holdings Limited**

(Adopted by way of special resolution passed at a general meeting held on 22 February 2023)

## INDEX

<u>SUBJECT</u>	<u>Article No.</u>
Table A	1
Interpretation	2
Share Capital	3
Alteration Of Capital	4–7
Share Rights	8–9
Variation Of Rights	10–11
Shares	12–15
Share Certificates	16–21
Lien	22–24
Calls On Shares	25–33
Forfeiture Of Shares	34–42
Register Of Members	43–44
Record Dates	45
Transfer Of Shares	46–51
Transmission Of Shares	52–54
Untraceable Members	55
General Meetings	56–58
Notice Of General Meetings	59–60
Proceedings At General Meetings	61–65
Voting	66–74
Proxies	75–80

<u>SUBJECT</u>	<u>Article No.</u>
Corporations Acting By Representatives	81
Written Resolutions Of Members	82
Board Of Directors	83
Retirement Of Directors	84–85
Disqualification Of Directors	86
Executive Directors	87–88
Alternate Directors	89–92
Directors’ Fees And Expenses	93–96
Directors’ Interests	97–100
General Powers Of The Directors	101–106
Borrowing Powers	107–110
Proceedings Of The Directors	111–120
Managers	121–123
Officers	124–127
Register of Directors and Officers	128
Minutes	129
Seal	130
Authentication Of Documents	131
Destruction Of Documents	132
Dividends And Other Payments	133–142
Reserves	143
Capitalisation	144–145

<u>SUBJECT</u>	<u>Article No.</u>
Subscription Rights Reserve	146
Accounting Records	147–151
Audit	152–157
Notices	158–160
Signatures	161
Winding Up	162–163
Indemnity	164
Financial Year	165
Amendment To Memorandum and Articles of Association And Name of Company	166
Information	167

**THE COMPANIES ACT (AS REVISED)**  
**EXEMPTED COMPANY LIMITED BY SHARES**  
**AMENDED AND RESTATED ARTICLES OF ASSOCIATION**  
**OF**

**EDICO Holdings Limited**

(Adopted by way of special resolution passed at a general meeting held on 22 February 2023)

**TABLE A**

1. The regulations in Table A in the Schedule to the Companies Act (as defined in Article 2) do not apply to the Company.

**INTERPRETATION**

2. (1) In these Articles, unless the context otherwise requires, the words standing in the first column of the following table shall bear the meaning set opposite them respectively in the second column.

**WORD**

**MEANING**

“Act”

the Companies Act, (2022 Revision), Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.

“Articles”

these Articles in their present form or as supplemented or amended or substituted from time to time.

“Auditor”	the auditor of the Company for the time being and may include any individual or partnership.
“Board” or “Directors”	the board of directors of the Company or the directors present at a meeting of directors of the Company at which a quorum is present.
“capital”	the share capital of the Company from time to time.
“clear days”	in relation to the period of a notice that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
“clearing house”	a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.
“close associate”	in relation to any Director, shall have the same meaning as defined in the Listing Rules as modified from time to time, except that for purposes of Article 100 where the transaction or arrangement to be approved by the Board is a connected transaction referred to in the Listing Rules, it shall have the same meaning as that ascribed to “associate” in the Listing Rules. Ch.17.48A
“Company”	EDICO Holdings Limited.
“competent regulatory authority”	a competent regulatory authority in the territory where the shares of the Company are listed or quoted on a stock exchange in such territory.
“debenture” and “debenture holder”	include debenture stock and debenture stockholder respectively.

“Designated Stock Exchange”	a stock exchange in respect of which the shares of the Company are listed or quoted and where such stock exchange deems such listing or quotation to be the primary listing or quotation of the shares of the Company.
“head office”	such office of the Company as the Directors may from time to time determine to be the principal office of the Company.
“Listing Rules”	the rules and regulations of the Designated Stock Exchange.
“Member”	a duly registered holder from time to time of the shares in the capital of the Company.
“month”	a calendar month.
“Notice”	written notice unless otherwise specifically stated and as further defined in these Articles.
“Office”	the registered office of the Company for the time being.
“ordinary resolution”	a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Article 59.
“paid up”	paid up or credited as paid up.
“Register”	the principal register and where applicable, any branch register of Members to be maintained at such place within or outside the Cayman Islands as the Board shall determine from time to time.

“Registration Office”	in respect of any class of share capital such place as the Board may from time to time determine to keep a branch register of Members in respect of that class of share capital and where (except in cases where the Board otherwise directs) the transfers or other documents of title for such class of share capital are to be lodged for registration and are to be registered.
“Seal”	common seal or any one or more duplicate seals of the Company (including a securities seal) for use in the Cayman Islands or in any place outside the Cayman Islands.
“Secretary”	any person, firm or corporation appointed by the Board to perform any of the duties of secretary of the Company and includes any assistant, deputy, temporary or acting secretary.
“special resolution”	<p>a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Article 59;</p> <p>a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles or the Statutes.</p>
“Statutes”	the Act and every other law of the Legislature of the Cayman Islands for the time being in force applying to or affecting the Company, its memorandum of association and/or these Articles.



“substantial shareholder” a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the Listing Rules from time to time) of the voting power at any general meeting of the Company.

“year” a calendar year.

(2) In these Articles, unless there be something within the subject or context inconsistent with such construction:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include both gender and the neuter;
- (c) words importing persons include companies, associations and bodies of persons whether corporate or not;
- (d) the words:
  - (i) “may” shall be construed as permissive;
  - (ii) “shall” or “will” shall be construed as imperative;
- (e) expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing words or figures in a visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations;
- (f) references to any law, ordinance, statute or statutory provision shall be interpreted as relating to any statutory modification or re-enactment thereof for the time being in force;
- (g) save as aforesaid words and expressions defined in the Statutes shall bear the same meanings in these Articles if not inconsistent with the subject in the context;
- (h) references to a document (including, but without limitation, a resolution in writing) being signed or executed include references to it being signed or executed under hand or under seal or by electronic

signature or by any other method and references to a Notice or document include a Notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not;

- (i) reference to a meeting shall, where the context is appropriate, include a meeting that has been postponed by the Board pursuant to Article 64;
- (j) where a Member is a corporation, any reference in these Articles to a Member shall, where the context requires, refer to a duly authorised representative of such Member; and
- (k) Section 8 and Section 19 of the Electronic Transactions Act of the Cayman Islands, as amended from time to time, shall not apply to these Articles to the extent it imposes obligations or requirements in addition to those set out in these Articles.

### SHARE CAPITAL

- 3. (1) The share capital of the Company at the date on which these Articles come into effect shall be divided into shares of a par value of Hong Kong dollars 0.01 each.
- (2) Subject to the Act, the Company's Memorandum and Articles of Association and, where applicable, the Listing Rules, and/or the rules and regulations of any competent regulatory authority, the Company shall have the power to purchase or otherwise acquire its own shares and such power shall be exercisable by the Board in such manner, upon such terms and subject to such conditions as it in its absolute discretion thinks fit and any determination by the Board of the manner of purchase shall be deemed authorised by these Articles for purposes of the Act. The Company is hereby authorised to make payments in respect of the purchase of its shares out of capital or out of any other account or fund which can be authorised for this purpose in accordance with the Act.
- (3) Subject to compliance with the Listing Rules and the rules and regulations of any other competent regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.

- (4) The Board may accept the surrender for no consideration of any fully paid share.
- (5) No share shall be issued to bearer.

### ALTERATION OF CAPITAL

- 4. The Company may from time to time by ordinary resolution in accordance with the Act alter the conditions of its Memorandum of Association to:
  - (a) increase its capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;
  - (b) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
  - (c) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions which in the absence of any such determination by the Company in general meeting, as the Directors may determine provided always that where the Company issues shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting” or “limited voting”;
  - (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Company’s Memorandum of Association (subject, nevertheless, to the Act), and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred, deferred or other rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;
  - (e) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled or, in the case of shares, without par value, diminish the number of shares into which its capital is divided.

5. The Board may settle as it considers expedient any difficulty which arises in relation to any consolidation and division under the last preceding Article and in particular but without prejudice to the generality of the foregoing may issue certificates in respect of fractions of shares or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale (after deduction of the expenses of such sale) in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to their purchaser or resolve that such net proceeds be paid to the Company for the Company's benefit. Such purchaser will not be bound to see to the application of the purchase money nor will his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.
6. The Company may from time to time by special resolution, subject to any confirmation or consent required by the Act, reduce its share capital or any capital redemption reserve or other undistributable reserve in any manner permitted by law.
7. Except so far as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares shall be treated as if it formed part of the original capital of the Company, and such shares shall be subject to the provisions contained in these Articles with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, cancellation, surrender, voting and otherwise.

### SHARE RIGHTS

8. Subject to the provisions of the Act and the Company's Memorandum and Articles of Association and to any special rights conferred on the holders of any shares or class of shares, any share in the Company (whether forming part of the present capital or not) may be issued with or have attached thereto such rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the Board may determine.
9. Subject to the provisions of the Act, Listing Rules and the Memorandum and Articles of Association of the Company, and to any special rights conferred on the holders of any shares or attaching to any class of shares, shares may be issued on the terms that they may be, or at the option of the Company or the holder are, liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit.

## VARIATION OF RIGHTS

10. Subject to the Act and without prejudice to Article 8, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company shall, *mutatis mutandis*, apply, but so that:
- App. 3  
15
- (a) the necessary quorum (other than at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorised representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting of such holders, two holders present in person or (in the case of a Member being a corporation) its duly authorised representative or by proxy (whatever the number of shares held by them) shall be a quorum; and
  - (b) every holder of shares of the class shall be entitled to one vote for every such share held by him.
11. The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied, modified or abrogated by the creation or issue of further shares ranking *pari passu* therewith.

## SHARES

12. (1) Subject to the Act, these Articles, any direction that may be given by the Company in general meeting and, where applicable, the Listing Rules and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may in its absolute discretion determine but so that no shares shall be issued at a discount to their nominal value. Neither the Company nor

the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to Members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

- (2) The Board may issue warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.
13. The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Act. Subject to the Act, the commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one and partly in the other.
14. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any fractional part of a share or (except only as otherwise provided by these Articles or by law) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
15. Subject to the Act and these Articles, the Board may at any time after the allotment of shares but before any person has been entered in the Register as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board considers fit to impose.

### SHARE CERTIFICATES

16. Every share certificate shall be issued under the Seal or a facsimile thereof or with the Seal printed thereon and shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates, and the amount paid up thereon and may otherwise be in such form as the Directors

may from time to time determine. The seal of the Company may only be affixed or imprinted to a share certificate with the authority of the Directors, or be executed under the signature of appropriate officials with statutory authority, unless otherwise determined by the Directors. No certificate shall be issued representing shares of more than one class. The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates (or certificates in respect of other securities) need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon.

17. (1) In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders.  
  
(2) Where a share stands in the names of two or more persons, the person first named in the Register shall as regards service of notices and, subject to the provisions of these Articles, all or any other matters connected with the Company, except the transfer of the shares, be deemed the sole holder thereof.
18. Every person whose name is entered, upon an allotment of shares, as a Member in the Register shall be entitled, without payment, to receive one certificate for all such shares of any one class or several certificates each for one or more of such shares of such class upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the Board from time to time determines.
19. Share certificates shall be issued within the relevant time limit as prescribed by the Act or as the Designated Stock Exchange may from time to time determine, whichever is the shorter, after allotment or, except in the case of a transfer which the Company is for the time being entitled to refuse to register and does not register, after lodgment of a transfer with the Company.
20. (1) Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued to the transferee in respect of the shares transferred to him at such fee as is provided in paragraph (2) of this Article. If any of the shares included in the certificate so given up shall be retained by the transferor a new certificate for the balance shall be issued to him at the aforesaid fee payable by the transferor to the Company in respect thereof.



- (2) The fee referred to in paragraph (1) above shall be an amount not exceeding the relevant maximum amount as the Designated Stock Exchange may from time to time determine provided that the Board may at any time determine a lower amount for such fee.
21. If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed a new certificate representing the same shares may be issued to the relevant Member upon request and on payment of such fee as the Designated Stock Exchange may determine to be the maximum fee payable or such lesser sum as the Board may determine and, subject to compliance with such terms (if any) as to evidence and indemnity and to payment of the costs and reasonable out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of damage or defacement, on delivery of the old certificate to the Company provided always that where share warrants have been issued, no new share warrant shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed.

#### LIEN

22. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share. The Company shall also have a first and paramount lien on every share (not being a fully paid share) registered in the name of a Member (whether or not jointly with other Members) for all amounts of money presently payable by such Member or his estate to the Company whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member or not. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Board may at any time, generally or in any particular case, waive any lien that has arisen or declare any share exempt in whole or in part, from the provisions of this Article.
23. Subject to these Articles, the Company may sell in such manner as the Board determines any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged nor until the expiration of fourteen (14)



clear days after a notice in writing, stating and demanding payment of the sum presently payable, or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of the intention to sell in default, has been served on the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

24. The net proceeds of the sale shall be received by the Company and applied in or towards payment or discharge of the debt or liability in respect of which the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the person entitled to the share at the time of the sale. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares so transferred and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

#### CALLS ON SHARES

25. Subject to these Articles and to the terms of allotment, the Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium), and each Member shall (subject to being given at least fourteen (14) clear days' Notice specifying the time and place of payment) pay to the Company as required by such notice the amount called on his shares. A call may be extended, postponed or revoked in whole or in part as the Board determines but no Member shall be entitled to any such extension, postponement or revocation except as a matter of grace and favour.
26. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be made payable either in one lump sum or by instalments.
27. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect thereof or other moneys due in respect thereof.

28. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the amount unpaid from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board may determine, but the Board may in its absolute discretion waive payment of such interest wholly or in part.
29. No Member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another Member) at any general meeting either personally or by proxy, or be reckoned in a quorum, or exercise any other privilege as a Member until all calls or instalments due by him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.
30. On the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the Member sued is entered in the Register as the holder, or one of the holders, of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Member sued, in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
31. Any amount payable in respect of a share upon allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call duly made and payable on the date fixed for payment and if it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call duly made and notified.
32. On the issue of shares the Board may differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.
33. The Board may, if it thinks fit, receive from any Member willing to advance the same, and either in money or money's worth, all or any part of the moneys uncalled and unpaid or instalments payable upon any shares held by him and upon all or any of the moneys so advanced (until the same would, but for such advance, become presently payable) pay interest at such rate (if any) as the Board may decide. The Board may at any time repay the amount so advanced upon giving to such Member not less than one (1) month's Notice of its intention in that behalf, unless before the expiration of such

notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. Such payment in advance shall not entitle the holder of such share or shares to participate in respect thereof in a dividend subsequently declared.

### FORFEITURE OF SHARES

34. (1) If a call remains unpaid after it has become due and payable the Board may give to the person from whom it is due not less than fourteen (14) clear days' Notice:
- (a) requiring payment of the amount unpaid together with any interest which may have accrued and which may still accrue up to the date of actual payment; and
  - (b) stating that if the Notice is not complied with the shares on which the call was made will be liable to be forfeited.
- (2) If the requirements of any such Notice are not complied with, any share in respect of which such Notice has been given may at any time thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect, and such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share but not actually paid before the forfeiture.
35. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share. No forfeiture shall be invalidated by any omission or neglect to give such Notice.
36. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references in these Articles to forfeiture will include surrender.
37. Any share so forfeited shall be deemed the property of the Company and may be sold, re-allotted or otherwise disposed of to such person, upon such terms and in such manner as the Board determines, and at any time before a sale, re-allotment or disposition the forfeiture may be annulled by the Board on such terms as the Board determines.
38. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but nevertheless shall remain liable to pay the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, with (if the Directors shall in

their discretion so require) interest thereon from the date of forfeiture until payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board determines. The Board may enforce payment thereof if it thinks fit, and without any deduction or allowance for the value of the forfeited shares, at the date of forfeiture, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. For the purposes of this Article any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, whether on account of the nominal value of the share or by way of premium, shall notwithstanding that time has not yet arrived be deemed to be payable at the date of forfeiture, and the same shall become due and payable immediately upon the forfeiture, but interest thereon shall only be payable in respect of any period between the said fixed time and the date of actual payment.

39. A declaration by a Director or the Secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration shall (subject to the execution of an instrument of transfer by the Company if necessary) constitute a good title to the share, and the person to whom the share is disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any), nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture, sale or disposal of the share. When any share shall have been forfeited, notice of the declaration shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or make any such entry.
40. Notwithstanding any such forfeiture as aforesaid the Board may at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, permit the shares forfeited to be bought back upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon such further terms (if any) as it thinks fit.
41. The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.

42. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

### REGISTER OF MEMBERS

43. (1) The Company shall keep in one or more books a Register of its Members and shall enter therein the following particulars, that is to say:

(a) the name and address of each Member, the number and class of shares held by him and the amount paid or agreed to be considered as paid on such shares;

(b) the date on which each person was entered in the Register; and

(c) the date on which any person ceased to be a Member.

- (2) The Company may keep an overseas or local or other branch register of Members resident in any place, and the Board may make and vary such regulations as it determines in respect of the keeping of any such register and maintaining a Registration Office in connection therewith.

44. The Register and branch register of Members maintained in Hong Kong, as the case may be, shall be open to inspection for at least two (2) hours during business hours by Members without charge or by any other person, upon a maximum payment of Hong Kong dollars 2.50 or such lesser sum specified by the Board, at the Office or such other place at which the Register is kept in accordance with the Act or, if appropriate, upon a maximum payment of Hong Kong dollars 1.00 or such lesser sum specified by the Board at the Registration Office. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper or any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any electronic means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares. The period of thirty (30) days may be extended for a further period or periods not exceeding thirty (30) days in respect of any year if approved by the Members by ordinary resolution.

App. 3  
20

## RECORD DATES

45. Subject to the Listing Rules, notwithstanding any other provision of these Articles the Company or the Directors may fix any date as the record date for:
- (a) determining the Members entitled to receive any dividend, distribution, allotment or issue;
  - (b) determining the Members entitled to receive notice of and to vote at any general meeting of the Company.

## TRANSFER OF SHARES

46. (1) Subject to these Articles, any Member may transfer all or any of his shares by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange or in any other form approved by the Board and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time. App. 3  
1(4)
- (2) Notwithstanding the provisions of subparagraph (1) above, for so long as any shares are listed on the Designated Stock Exchange, titles to such listed shares may be evidenced and transferred in accordance with the laws applicable to and the Listing Rules that are or shall be applicable to such listed shares. The register of members of the Company in respect of its listed shares (whether the Register or a branch register) may be kept by recording the particulars required by Section 40 of the Act in a form otherwise than legible if such recording otherwise complies with the laws applicable to and Listing Rules that are or shall be applicable to such listed shares.
47. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee in any case which it thinks fit in its discretion to do so. Without prejudice to the last preceding Article, the Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof.

Nothing in these Articles shall preclude the Board from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person.

48. (1) The Board may, in its absolute discretion, and without giving any reason therefor, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve, or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also, without prejudice to the foregoing generality, refuse to register a transfer of any share to more than four (4) joint holders or a transfer of any share (not being a fully paid up share) on which the Company has a lien.
- (2) No transfer shall be made to an infant or to a person of unsound mind or under other legal disability.
- (3) The Board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the Register to any branch register or any share on any branch register to the Register or any other branch register. In the event of any such transfer, the shareholder requesting such transfer shall bear the cost of effecting the transfer unless the Board otherwise determines.
- (4) Unless the Board otherwise agrees (which agreement may be on such terms and subject to such conditions as the Board in its absolute discretion may from time to time determine, and which agreement the Board shall, without giving any reason therefor, be entitled in its absolute discretion to give or withhold), no shares upon the Register shall be transferred to any branch register nor shall shares on any branch register be transferred to the Register or any other branch register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any shares on a branch register, at the relevant Registration Office, and, in the case of any shares on the Register, at the Office or such other place at which the Register is kept in accordance with the Act.
49. Without limiting the generality of the last preceding Article, the Board may decline to recognise any instrument of transfer unless:
- (a) a fee of such maximum sum as the Designated Stock Exchange may determine to be payable or such lesser sum as the Board may from time to time require is paid to the Company in respect thereof;



- (b) the instrument of transfer is in respect of only one class of share;
  - (c) the instrument of transfer is lodged at the Office or such other place at which the Register is kept in accordance with the Act or the Registration Office (as the case may be) accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and
  - (d) if applicable, the instrument of transfer is duly and properly stamped.
50. If the Board refuses to register a transfer of any share, it shall, within two (2) months after the date on which the transfer was lodged with the Company, send to each of the transferor and transferee notice of the refusal.
51. The registration of transfers of shares or of any class of shares may, after notice has been given by announcement or by electronic communication or by advertisement in any newspapers or by any other means in accordance with the requirements of any Designated Stock Exchange to that effect be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine. The period of thirty (30) days may be extended for a further period or periods not exceeding thirty (30) days in respect of any year if approved by the Members by ordinary resolution.

### TRANSMISSION OF SHARES

52. If a Member dies, the survivor or survivors where the deceased was a joint holder, and his legal personal representatives where he was a sole or only surviving holder, will be the only persons recognised by the Company as having any title to his interest in the shares; but nothing in this Article will release the estate of a deceased Member (whether sole or joint) from any liability in respect of any share which had been solely or jointly held by him.
53. Any person becoming entitled to a share in consequence of the death or bankruptcy or winding-up of a Member may, upon such evidence as to his title being produced as may be required by the Board, elect either to become the holder of the share or to have some person nominated by him registered as the transferee thereof. If he elects to become the holder he shall notify the Company in writing either at the Registration Office or Office, as the case may be, to that effect. If he elects to have another person registered he shall



execute a transfer of the share in favour of that person. The provisions of these Articles relating to the transfer and registration of transfers of shares shall apply to such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by such Member.

54. A person becoming entitled to a share by reason of the death or bankruptcy or winding-up of a Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the Board may, if it thinks fit, withhold the payment of any dividend payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share, but, subject to the requirements of Article 72(2) being met, such a person may vote at meetings.

#### UNTRACEABLE MEMBERS

55. (1) Without prejudice to the rights of the Company under paragraph (2) of this Article, the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.
- (2) The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a Member who is untraceable, but no such sale shall be made unless:
- (a) all cheques or warrants in respect of dividends of the shares in question, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the Articles have remained uncashed;
  - (b) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the Member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and

- (c) the Company, if so required by the Listing Rules, has given notice to, and caused advertisement in newspapers in accordance with the requirements of, the Designated Stock Exchange to be made of its intention to sell such shares in the manner required by the Designated Stock Exchange, and a period of three (3) months or such shorter period as may be allowed by the Designated Stock Exchange has elapsed since the date of such advertisement.

For the purpose of the foregoing, the “relevant period” means the period commencing twelve (12) years before the date of publication of the advertisement referred to in paragraph (c) of this Article and ending at the expiry of the period referred to in that paragraph.

- (3) To give effect to any such sale the Board may authorise some person to transfer the said shares and an instrument of transfer signed or otherwise executed by or on behalf of such person shall be as effective as if it had been executed by the registered holder or the person entitled by transmission to such shares, and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of the sale will belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former Member for an amount equal to such net proceeds. No trust shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Any sale under this Article shall be valid and effective notwithstanding that the Member holding the shares sold is dead, bankrupt or otherwise under any legal disability or incapacity.

### GENERAL MEETINGS

- 56. An annual general meeting of the Company shall be held in each financial year other than the financial year of the Company’s adoption of these Articles and such annual general meeting must be held within six (6) months after the end of the Company’s financial year (unless a longer period would not infringe the Listing Rules, if any) at such time and place as may be determined by the Board. A meeting of Members or any class thereof may be held by means of such telephone, electronic or other communication facilities

as to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meeting.

57. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting. General meetings may be held in any part of the world as may be determined by the Board. Notwithstanding any provisions in these Articles, any general meeting or any class meeting may be held by means of such telephone, electronic or other communication facilities as to permit all persons participating in the meeting to communicate with each other, and participation in such a meeting shall constitute presence at such meeting. Unless otherwise determined by the Directors, the manner of convening and the proceedings at a general meeting set out in these Articles shall, *mutatis mutandis*, apply to a general meeting held wholly by or in combination with electronic means.
58. The Board may whenever it thinks fit call extraordinary general meetings. Any one or more Member(s) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, on a one vote per share basis, shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (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 shall be reimbursed to the requisitionist(s) by the Company.

#### NOTICE OF GENERAL MEETINGS

59. (1) An annual general meeting must be called by Notice of not less than twenty-one (21) clear days. All other general meetings (including an extraordinary general meeting) must be called by Notice of not less than fourteen (14) clear days but if permitted by the Listing Rules, a general meeting may be called by shorter notice, subject to the Act, if it is so agreed: App. 11B  
3(1)
- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and

- (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together representing not less than ninety-five per cent. (95%) of the total voting rights at the meeting of all the Members.
  - (2) The notice shall specify the time and place of the meeting and particulars of resolutions to be considered at the meeting and, in case of special business, the general nature of the business. The notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.
60. The accidental omission to give Notice of a meeting or (in cases where instruments of proxy are sent out with the Notice) to send such instrument of proxy to, or the non-receipt of such Notice or such instrument of proxy by, any person entitled to receive such Notice shall not invalidate any resolution passed or the proceedings at that meeting.

### PROCEEDINGS AT GENERAL MEETINGS

61. (1) All business shall be deemed special that is transacted at an extraordinary general meeting, and also all business that is transacted at an annual general meeting, with the exception of:
- (a) the declaration and sanctioning of dividends;
  - (b) consideration and adoption of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet;
  - (c) the election of Directors whether by rotation or otherwise in the place of those retiring;
  - (d) appointment of Auditors (where special notice of the intention for such appointment is not required by the Act) and other officers; and
  - (e) the fixing of the remuneration of the Auditors, and the voting of remuneration or extra remuneration to the Directors.

- (2) No business other than the appointment of a chairman of a meeting shall be transacted at any general meeting unless a quorum is present at the commencement of the business. Two (2) Members entitled to vote and present in person (in the case of a Member being a corporation) by its duly authorised representative or by proxy or, for quorum purposes only, two persons appointed by the clearing house as authorised representative or proxy shall form a quorum for all purposes.
62. If within thirty (30) minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Board may determine. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the meeting shall be dissolved.
63. The chairman of the Company or if there is more than one chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman at a general meeting. If at any meeting no chairman, is present within fifteen (15) minutes after the time appointed for holding the meeting, or is willing to act as chairman, the deputy chairman of the Company or if there is more than one deputy chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman. If no chairman or deputy chairman is present or is willing to act as chairman of the meeting, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen shall retire from the chair, the Members present in person or (in the case of a Member being a corporation) by its duly authorised representative or by proxy and entitled to vote shall elect one of their number to be chairman of the meeting.
64. Prior to the holding of a general meeting, the Board may postpone, and at a general meeting, the chairman may (without the consent of the meeting) or shall at the direction of the meeting, adjourn the meeting from time to time (or indefinitely) and from place to place, but no business shall be transacted at any adjourned or postponed meeting other than the business which might lawfully have been transacted at the meeting had the adjournment or the

postponement not taken place. Notice of a postponement must be given to all Members by any means as the Board may determine. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days' notice of the adjourned meeting shall be given specifying the time and place of the adjourned meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give notice of an adjournment.

65. If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

### VOTING

66. (1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in person (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express

their views. Votes (whether on a show of hands or by way of poll) may be cast by such means, electronic or otherwise, as the Directors or the chairman of the meeting may determine.

- (2) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:
- (a) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
  - (b) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
  - (c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by the Member.

67. Where a resolution is voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution. The result of the poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the Listing Rules.
68. On a poll votes may be given either personally or by proxy.
69. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.



70. All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by these Articles or by the Act. In the case of an equality of votes, the chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.
71. Where there are joint holders of any share any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding. Several executors or administrators of a deceased Member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.
72. (1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, by his receiver, committee, *curator bonis* or other person in the nature of a receiver, committee or *curator bonis* appointed by such court, and such receiver, committee, *curator bonis* or other person may vote by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting, as the case may be.
- (2) Any person entitled under Article 53 to be registered as the holder of any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight (48) hours at least before the time of the holding of the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his entitlement to such shares, or the Board shall have previously admitted his right to vote at such meeting in respect thereof.



73. (1) No Member shall, unless the Board otherwise determines, be entitled to attend and vote and to be reckoned in a quorum at any general meeting unless he is duly registered and all calls or other sums presently payable by him in respect of shares in the Company have been paid.
- (2) All Members shall have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration. App. 3  
14(3)
- (3) Where the Company has knowledge that any Member is, under the Listing Rules, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted. App. 3  
14(4)

74. If:

- (a) any objection shall be raised to the qualification of any voter; or
- (b) any votes have been counted which ought not to have been counted or which might have been rejected; or
- (c) any votes are not counted which ought to have been counted;

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

### PROXIES

75. Any Member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a Member. In addition, a proxy or proxies representing either a Member who is an App. 3  
18  
App. 3  
19

individual or a Member which is a corporation shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise.

76. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts. App. 3  
18
77. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate) not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
78. Instruments of proxy shall be in any common form or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
79. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was

executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office or the Registration Office (or such other place as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) two (2) hours at least before the commencement of the meeting or adjourned meeting, at which the instrument of proxy is used.

80. Anything which under these Articles a Member may do by proxy he may likewise do by his duly appointed attorney and the provisions of these Articles relating to proxies and instruments appointing proxies shall apply *mutatis mutandis* in relation to any such attorney and the instrument under which such attorney is appointed.

### CORPORATIONS ACTING BY REPRESENTATIVES

81. (1) Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of Members. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat. App. 3  
18
- (2) If a clearing house (or its nominee(s)), being a corporation, is a Member, it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) including, the right to speak and to vote, and where a show of hands is allowed, the right to vote individually on a show of hands. App. 3  
19
- (3) Any reference in these Articles to a duly authorised representative of a Member being a corporation shall mean a representative authorised under the provisions of this Article.

## WRITTEN RESOLUTIONS OF MEMBERS

82. A resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by or on behalf of all persons for the time being entitled to receive notice of and to attend and vote at general meetings of the Company shall, for the purposes of these Articles, be treated as a resolution duly passed at a general meeting of the Company and, where relevant, as a special resolution so passed. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last Member to sign, and where the resolution states a date as being the date of his signature thereof by any Member the statement shall be prima facie evidence that it was signed by him on that date. Such a resolution may consist of several documents in the like form, each signed by one or more relevant Members.

## BOARD OF DIRECTORS

83. (1) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two (2). There shall be no maximum number of Directors unless otherwise determined from time to time by the Members in general meeting. The Directors shall be elected or appointed in the first place by the subscribers to the Memorandum of Association or by a majority of them and thereafter in accordance with Article 84 called for such purpose and who shall hold office for such term as the Members may determine or, in the absence of such determination, in accordance with Article 84 or until their successors are elected or appointed or their office is otherwise vacated.
- (2) Subject to the Articles and the Act, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy on the Board, or as an addition to the existing Board. App. 3  
4(2)
- (3) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election. App. 3  
4(2)

- (4) Neither a Director nor an alternate Director shall be required to hold any shares of the Company by way of qualification and a Director or alternate Director (as the case may be) who is not a Member shall be entitled to receive notice of and to attend and speak at any general meeting of the Company and of all classes of shares of the Company.
- (5) The Members may, at any general meeting convened and held in accordance with these Articles, by ordinary resolution remove a Director (including a managing or other executive Director) at any time before the expiration of his term of office notwithstanding anything to the contrary in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement). App. 3  
4(3)
- (6) A vacancy on the Board created by the removal of a Director under the provisions of subparagraph (5) above may be filled by the election or appointment by ordinary resolution of the Members at the meeting at which such Director is removed.
- (7) The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall never be less than two (2).

### RETIREMENT OF DIRECTORS

84. (1) Notwithstanding any other provisions in the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), 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 an annual general meeting at least once every three years. App. 14  
A4.2
- (2) A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he 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 not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been 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 pursuant to Article 83(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

85. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that such Notices must be lodged with the Company at least fourteen (14) days prior to the date of the general meeting of election but no earlier than the day after despatch of the Notice of the general meeting appointed for such election. Ch. 17.4  
6B

### DISQUALIFICATION OF DIRECTORS

86. The office of a Director shall be vacated if the Director:
- (1) resigns his office by notice in writing delivered to the Company at the Office or tendered at a meeting of the Board;
  - (2) becomes of unsound mind or dies;
  - (3) without special leave of absence from the Board, is absent from meetings of the Board for six consecutive months, and his alternate Director, if any, shall not during such period have attended in his stead and the Board resolves that his office be vacated;
  - (4) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;
  - (5) is prohibited by law from being a Director; or
  - (6) ceases to be a Director by virtue of any provision of the Statutes or is removed from office pursuant to these Articles.

### EXECUTIVE DIRECTORS

87. The Board may from time to time appoint any one or more of its body to be a managing director, joint managing director or deputy managing director or to hold any other employment or executive office with the Company for such

period (subject to their continuance as Directors) and upon such terms as the Board may determine and the Board may revoke or terminate any of such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director. A Director appointed to an office under this Article shall be subject to the same provisions as to removal as the other Directors of the Company, and he shall (subject to the provisions of any contract between him and the Company) ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.

88. Notwithstanding Articles 93, 94, 95 and 96, an executive director appointed to an office under Article 87 hereof shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time determine, and either in addition to or in lieu of his remuneration as a Director.

#### ALTERNATE DIRECTORS

89. Any Director may at any time by Notice delivered to the Office or head office or at a meeting of the Directors appoint any person (including another Director) to be his alternate Director. Any person so appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present. An alternate Director may be removed at any time by the body which appointed him and, subject thereto, the office of alternate Director shall continue until the happening of any event which, if he were a Director, would cause him to vacate such office or if his appointor ceases for any reason to be a Director. Any appointment or removal of an alternate Director shall be effected by Notice signed by the appointor and delivered to the Office or head office or tendered at a meeting of the Board. An alternate Director may also be a Director in his own right and may act as alternate to more than one Director. An alternate Director shall, if his appointor so requests, be entitled to receive notices of meetings of the Board or of committees of the Board to the same extent as, but in lieu of, the Director appointing him and shall be entitled to such extent to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to exercise and discharge all the functions, powers and duties of his



appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a Director save that as an alternate for more than one Director his voting rights shall be cumulative.

90. An alternate Director shall only be a Director for the purposes of the Act and shall only be subject to the provisions of the Act insofar as they relate to the duties and obligations of a Director when performing the functions of the Director for whom he is appointed in the alternative and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him. An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company any fee in his capacity as an alternate Director except only such part, if any, of the remuneration otherwise payable to his appointor as such appointor may by Notice to the Company from time to time direct.
91. Every person acting as an alternate Director shall have one vote for each Director for whom he acts as alternate (in addition to his own vote if he is also a Director). If his appointor is for the time being absent from Hong Kong or otherwise not available or unable to act, the signature of an alternate Director to any resolution in writing of the Board or a committee of the Board of which his appointor is a member shall, unless the notice of his appointment provides to the contrary, be as effective as the signature of his appointor.
92. An alternate Director shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to be a Director, however, such alternate Director or any other person may be re-appointed by the Directors to serve as an alternate Director PROVIDED always that, if at any meeting any Director retires but is re-elected at the same meeting, any appointment of such alternate Director pursuant to these Articles which was in force immediately before his retirement shall remain in force as though he had not retired.

#### DIRECTORS' FEES AND EXPENSES

93. The ordinary remuneration of the Directors shall from time to time be determined by the Company in general meeting and shall (unless otherwise directed by the resolution by which it is voted) be divided amongst the Board in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director who shall hold office for part



only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. Such remuneration shall be deemed to accrue from day to day.

94. Each Director shall be entitled to be repaid or prepaid all travelling, hotel and incidental expenses reasonably incurred or expected to be incurred by him in attending meetings of the Board or committees of the Board or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of his duties as a Director.
95. Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Article.
96. The Board shall obtain the approval of the Company in general meeting before making any payment to any Director or past Director of the Company by way of compensation for loss of office, or as consideration for or in connection with his retirement from office (not being payment to which the Director is contractually entitled).

#### DIRECTORS' INTERESTS

97. A Director may:
  - (a) hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine. Any remuneration (whether by way of salary, commission, participation in profits or otherwise) paid to any Director in respect of any such other office or place of profit shall be in addition to any remuneration provided for by or pursuant to any other Article;
  - (b) act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm may be remunerated for professional services as if he were not a Director;

(c) continue to be or become a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any other company promoted by the Company or in which the Company may be interested as a vendor, shareholder or otherwise and (unless otherwise agreed) no such Director shall be accountable for any remuneration, profits or other benefits received by him as a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of or from his interests in any such other company. Subject as otherwise provided by these Articles the Directors may exercise or cause to be exercised the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as Directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, joint managing directors, deputy managing directors, executive directors, managers or other officers of such company) or voting or providing for the payment of remuneration to the director, managing director, joint managing director, deputy managing director, executive director, manager or other officers of such other company and any Director may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or about to be, appointed a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in manner aforesaid.

98. Subject to the Act and to these Articles, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established provided that such Director shall disclose the nature of his interest in any contract or arrangement in which he is interested in accordance with Article 99 herein.

99. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested. For the purposes of this Article, a general Notice to the Board by a Director to the effect that:

- (a) he is a member or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the Notice be made with that company or firm; or
- (b) he is to be regarded as interested in any contract or arrangement which may after the date of the Notice be made with a specified person who is connected with him;

shall be deemed to be a sufficient declaration of interest under this Article in relation to any such contract or arrangement, provided that no such Notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.

100.(1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his close associates is materially interested, but this prohibition shall not apply to any of the following matters namely:

Ch. 13.4  
4

- (i) the giving of any security or indemnity either:
  - (a) to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
  - (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

- (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
  - (iii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
    - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or
    - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to the Director, his close associate(s) and employee(s) of the Company or any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates;
  - (iv) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.
- (2) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive

except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.

#### GENERAL POWERS OF THE DIRECTORS

- 101.(1) The business of the Company shall be managed and conducted by the Board, which may pay all expenses incurred in forming and registering the Company and may exercise all powers of the Company (whether relating to the management of the business of the Company or otherwise) which are not by the Statutes or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Statutes and of these Articles and to such regulations being not inconsistent with such provisions, as may be prescribed by the Company in general meeting, but no regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if such regulations had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.
- (2) Any person contracting or dealing with the Company in the ordinary course of business shall be entitled to rely on any written or oral contract or agreement or deed, document or instrument entered into or executed as the case may be by any two of the Directors acting jointly on behalf of the Company and the same shall be deemed to be validly entered into or executed by the Company as the case may be and shall, subject to any rule of law, be binding on the Company.
- (3) Without prejudice to the general powers conferred by these Articles it is hereby expressly declared that the Board shall have the following powers:
- (a) to give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at par or at such premium as may be agreed;
  - (b) to give to any Directors, officers or servants of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general profits of the Company either in addition to or in substitution for a salary or other remuneration; and

- (c) to resolve that the Company be deregistered in the Cayman Islands and continued in a named jurisdiction outside the Cayman Islands subject to the provisions of the Act.
- (4) The Company shall not make any loan, directly or indirectly, to a Director or his close associate(s) if and to the extent it would be prohibited by the Companies Ordinance (Chapter 622 of the laws of Hong Kong) as if the Company were a company incorporated in Hong Kong.

Article 101(4) shall only have effect for so long as the shares of the Company are listed on The Stock Exchange of Hong Kong Limited.

102. The Board may establish any regional or local boards or agencies for managing any of the affairs of the Company in any place, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration (either by way of salary or by commission or by conferring the right to participation in the profits of the Company or by a combination of two or more of these modes) and pay the working expenses of any staff employed by them upon the business of the Company. The Board may delegate to any regional or local board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the Board (other than its powers to make calls and forfeit shares), with power to sub-delegate, and may authorise the members of any of them to fill any vacancies therein and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person appointed as aforesaid, and may revoke or vary such delegation, but no person dealing in good faith and without notice of any such revocation or variation shall be affected thereby.
103. The Board may by power of attorney appoint under the Seal any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. Such attorney or

attorneys may, if so authorised under the Seal of the Company, execute any deed or instrument under their personal seal with the same effect as the affixation of the Company's Seal.

104. The Board may entrust to and confer upon a managing director, joint managing director, deputy managing director, an executive director or any Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.
105. All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine. The Company's banking accounts shall be kept with such banker or bankers as the Board shall from time to time determine.
106. (1) The Board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's moneys to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit under the Company or any of its subsidiary companies) and ex-employees of the Company and their dependants or any class or classes of such person.  
  
(2) The Board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependants are or may become entitled under any such scheme or fund as mentioned in the last preceding paragraph. Any such pension or benefit may, as the Board considers desirable, be granted to an employee either before and in anticipation of or upon or at any time after his actual retirement.



## BORROWING POWERS

107. The Board may exercise all the powers of the Company to raise or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Act, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
108. Debentures, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
109. Any debentures, bonds or other securities may be issued at a discount (other than shares), premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.
110. (1) Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge, and shall not be entitled, by notice to the Members or otherwise, to obtain priority over such prior charge.
- (2) The Board shall cause a proper register to be kept, in accordance with the provisions of the Act, of all charges specifically affecting the property of the Company and of any series of debentures issued by the Company and shall duly comply with the requirements of the Act in regard to the registration of charges and debentures therein specified and otherwise.

## PROCEEDINGS OF THE DIRECTORS

111. The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of any equality of votes the chairman of the meeting shall have an additional or casting vote.
112. A meeting of the Board may be convened by the Secretary on request of a Director or by any Director. The Secretary shall convene a meeting of the Board whenever he shall be required so to do by any Director. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is



given to such Director in writing or verbally (including in person or by telephone) or via electronic mail or by telephone or in such other manner as the Board may from time to time determine.

- 113.(1) The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two (2). An alternate Director shall be counted in a quorum in the case of the absence of a Director for whom he is the alternate provided that he shall not be counted more than once for the purpose of determining whether or not a quorum is present.
- (2) Directors may participate in any meeting of the Board by means of a conference telephone, electronic or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously and, for the purpose of counting a quorum, such participation shall constitute presence at a meeting as if those participating were present in person.
- (3) Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of such Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.
- 114.The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in the Board but, if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing Directors or Director, notwithstanding that the number of Directors is below the number fixed by or in accordance with these Articles as the quorum or that there is only one continuing Director, may act for the purpose of filling vacancies in the Board or of summoning general meetings of the Company but not for any other purpose.
- 115.The Board may elect one or more chairman and one or more deputy chairman of its meetings and determine the period for which they are respectively to hold such office. If no chairman or deputy chairman is elected, or if at any meeting no chairman or deputy chairman is present within five (5) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.
- 116.A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.

- 117.(1) The Board may delegate any of its powers, authorities and discretions to committees, consisting of such Director or Directors and other persons as it thinks fit, and they may, from time to time, revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board.
- (2) All acts done by any such committee in conformity with such regulations, and in fulfilment of the purposes for which it was appointed, but not otherwise, shall have like force and effect as if done by the Board, and the Board shall have power, with the consent of the Company in general meeting, to remunerate the members of any such committee, and charge such remuneration to the current expenses of the Company.
118. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board under the last preceding Article.
119. A resolution in writing signed by all the Directors except such as are temporarily unable to act through ill-health or disability, and all the alternate Directors, if appropriate, whose appointors are temporarily unable to act as aforesaid shall (provided that such number is sufficient to constitute a quorum and further provided that a copy of such resolution has been given or the contents thereof communicated to all the Directors for the time being entitled to receive notices of Board meetings in the same manner as notices of meetings are required to be given by these Articles) be as valid and effectual as if a resolution had been passed at a meeting of the Board duly convened and held. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or alternate Directors and for this purpose a facsimile signature of a Director or an alternate Director shall be treated as valid. Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.

120. All acts bona fide done by the Board or by any committee or by any person acting as a Director or members of a committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

### MANAGERS

121. The Board may from time to time appoint a general manager, a manager or managers of the Company and may fix his or their remuneration either by way of salary or commission or by conferring the right to participation in the profits of the Company or by a combination of two or more of these modes and pay the working expenses of any of the staff of the general manager, manager or managers who may be employed by him or them upon the business of the Company.
122. The appointment of such general manager, manager or managers may be for such period as the Board may decide, and the Board may confer upon him or them all or any of the powers of the Board as they may think fit.
123. The Board may enter into such agreement or agreements with any such general manager, manager or managers upon such terms and conditions in all respects as the Board may in their absolute discretion think fit, including a power for such general manager, manager or managers to appoint an assistant manager or managers or other employees whatsoever under them for the purpose of carrying on the business of the Company.

### OFFICERS

124. (1) The officers of the Company shall consist of at least one chairman, the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Act and these Articles.
- (2) The Directors shall, as soon as may be after each appointment or election of Directors, elect amongst the Directors a chairman and if more than one (1) Director is proposed for this office, the Directors may elect more than one chairman in such manner as the Directors may determine.

- (3) The officers shall receive such remuneration as the Directors may from time to time determine.
- 125.(1) The Secretary and additional officers, if any, shall be appointed by the Board and shall hold office on such terms and for such period as the Board may determine. If thought fit, two (2) or more persons may be appointed as joint Secretaries. The Board may also appoint from time to time on such terms as it thinks fit one or more assistant or deputy Secretaries.
- (2) The Secretary shall attend all meetings of the Members and shall keep correct minutes of such meetings and enter the same in the proper books provided for the purpose. He shall perform such other duties as are prescribed by the Act or these Articles or as may be prescribed by the Board.
126. The officers of the Company shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Directors from time to time.
127. A provision of the Act or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the Secretary.

#### REGISTER OF DIRECTORS AND OFFICERS

128. The Company shall cause to be kept in one or more books at its Office a Register of Directors and Officers in which there shall be entered the full names and addresses of the Directors and Officers and such other particulars as required by the Act or as the Directors may determine. The Company shall send to the Registrar of Companies in the Cayman Islands a copy of such register, and shall from time to time notify to the said Registrar of any change that takes place in relation to such Directors and Officers as required by the Act.

#### MINUTES

- 129.(1) The Board shall cause minutes to be duly entered in books provided for the purpose:
- (a) of all elections and appointments of officers;

- (b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
  - (c) of all resolutions and proceedings of each general meeting of the Members, meetings of the Board and meetings of committees of the Board and where there are managers, of all proceedings of meetings of the managers.
- (2) Minutes shall be kept by the Secretary at the head office.

### SEAL

- 130.(1) The Company shall have one or more Seals, as the Board may determine. For the purpose of sealing documents creating or evidencing securities issued by the Company, the Company may have a securities seal which is a facsimile of the Seal of the Company with the addition of the word “Securities” on its face or in such other form as the Board may approve. The Board shall provide for the custody of each Seal and no Seal shall be used without the authority of the Board or of a committee of the Board authorised by the Board in that behalf. Subject as otherwise provided in these Articles, any instrument to which a Seal is affixed shall be signed autographically by one Director and the Secretary or by two Directors or by such other person (including a Director) or persons as the Board may appoint, either generally or in any particular case, save that as regards any certificates for shares or debentures or other securities of the Company the Board may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature. Every instrument executed in manner provided by this Article shall be deemed to be sealed and executed with the authority of the Board previously given.
- (2) Where the Company has a Seal for use abroad, the Board may by writing under the Seal appoint any agent or committee abroad to be the duly authorised agent of the Company for the purpose of affixing and using such Seal and the Board may impose restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any such other Seal as aforesaid.

## AUTHENTICATION OF DOCUMENTS

131. Any Director or the Secretary or any person appointed by the Board for the purpose may authenticate any documents affecting the constitution of the Company and any resolution passed by the Company or the Board or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts, and if any books, records, documents or accounts are elsewhere than at the Office or the head office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person so appointed by the Board. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Board or any committee which is so certified shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

## DESTRUCTION OF DOCUMENTS

- 132.(1) The Company shall be entitled to destroy the following documents at the following times:
- (a) any share certificate which has been cancelled at any time after the expiry of one (1) year from the date of such cancellation;
  - (b) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two (2) years from the date such mandate variation cancellation or notification was recorded by the Company;
  - (c) any instrument of transfer of shares which has been registered at any time after the expiry of seven (7) years from the date of registration;
  - (d) any allotment letters after the expiry of seven (7) years from the date of issue thereof; and
  - (e) copies of powers of attorney, grants of probate and letters of administration at any time after the expiry of seven (7) years after the account to which the relevant power of attorney, grant of probate or letters of administration related has been closed;

and it shall conclusively be presumed in favour of the Company that every entry in the Register purporting to be made on the basis of any such documents so destroyed was duly and properly made and every share certificate so destroyed was a valid certificate duly and properly cancelled and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that: (1) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim; (2) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (1) above are not fulfilled; and (3) references in this Article to the destruction of any document include references to its disposal in any manner.

- (2) Notwithstanding any provision contained in these Articles, the Directors may, if permitted by applicable law, authorise the destruction of documents set out in sub-paragraphs (a) to (e) of paragraph (1) of this Article and any other documents in relation to share registration which have been microfilmed or electronically stored by the Company or by the share registrar on its behalf provided always that this Article shall apply only to the destruction of a document in good faith and without express notice to the Company and its share registrar that the preservation of such document was relevant to a claim.

### DIVIDENDS AND OTHER PAYMENTS

133. Subject to the Act, the Company in general meeting may from time to time declare dividends in any currency to be paid to the Members but no dividend shall be declared in excess of the amount recommended by the Board.
134. Dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Act.



135. Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide:

- (a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share; and
- (b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

136. The Board may from time to time pay to the Members such interim dividends as appear to the Board to be justified by the profits of the Company and in particular (but without prejudice to the generality of the foregoing) if at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board acts bona fide the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights and may also pay any fixed dividend which is payable on any shares of the Company half-yearly or on any other dates, whenever such profits, in the opinion of the Board, justifies such payment.

137. The Board may deduct from any dividend or other moneys payable to a Member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

138. No dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.

139. Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be



made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

140. All dividends or bonuses unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend or bonuses unclaimed after a period of six (6) years from the date of declaration shall be forfeited and shall revert to the Company. The payment by the Board of any unclaimed dividend or other sums payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.
141. Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of the Company or any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may issue certificates in respect of fractions of shares, disregard fractional entitlements or round the same up or down, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend, and such appointment shall be effective and binding on the Members. The Board may resolve that no such assets shall be made available to Members with registered addresses in any particular territory or territories where, in the absence of a registration statement or other special formalities, such distribution of assets would or might, in the opinion of the Board, be unlawful or impracticable and in such event the only entitlement of the

Members aforesaid shall be to receive cash payments as aforesaid. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.

142.(1) Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on any class of the share capital of the Company, the Board may further resolve either:

(a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the Members entitled thereto will be entitled to elect to receive such dividend (or part thereof if the Board so determines) in cash in lieu of such allotment. In such case, the following provisions shall apply:

(i) the basis of any such allotment shall be determined by the Board;

(ii) the Board, after determining the basis of allotment, shall give not less than two (2) weeks' Notice to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;

(iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and

(iv) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised ("the non-elected shares") and in satisfaction thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account, share premium account, capital redemption reserve other than the Subscription Rights Reserve (as defined below)) as the Board may determine, such sum as may be required to pay up in full

the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the non-elected shares on such basis; or

- (b) that the Members entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. In such case, the following provisions shall apply:
  - (i) the basis of any such allotment shall be determined by the Board;
  - (ii) the Board, after determining the basis of allotment, shall give not less than two (2) weeks' Notice to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
  - (iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and
  - (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised ("the elected shares") and in lieu thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account, share premium account, capital redemption reserve other than the Subscription Rights Reserve (as defined below)) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the elected shares on such basis.

- (2) (a) The shares allotted pursuant to the provisions of paragraph (1) of this Article shall rank *pari passu* in all respects with shares of the same class (if any) then in issue save only as regards participation in the relevant dividend or in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend unless, contemporaneously with the announcement by the Board of their proposal to apply the provisions of sub-paragraph (a) or (b) of paragraph (1) of this Article in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of paragraph (1) of this Article shall rank for participation in such distribution, bonus or rights.
- (b) The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (1) of this Article, with full power to the Board to make such provisions as it thinks fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned). The Board may authorise any person to enter into on behalf of all Members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.
- (3) The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (1) of this Article a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.
- (4) The Board may on any occasion determine that rights of election and the allotment of shares under paragraph (1) of this Article shall not be made available or made to any shareholders with registered addresses in any territory where, in the absence of a registration statement or other special formalities, the circulation of an offer of such rights of election or the

allotment of shares would or might, in the opinion of the Board, be unlawful or impracticable, and in such event the provisions aforesaid shall be read and construed subject to such determination. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.

- (5) Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that the same shall be payable or distributable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable or distributable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares. The provisions of this Article shall *mutatis mutandis* apply to bonuses, capitalisation issues, distributions of realised capital profits or offers or grants made by the Company to the Members.

### RESERVES

- 143.(1) The Board shall establish an account to be called the share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share in the Company. Unless otherwise provided by the provisions of these Articles, the Board may apply the share premium account in any manner permitted by the Act. The Company shall at all times comply with the provisions of the Act in relation to the share premium account.
- (2) Before recommending any dividend, the Board may set aside out of the profits of the Company such sums as it determines as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute.

## CAPITALISATION

- 144.(1) The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including a share premium account and capital redemption reserve and the profit and loss account) whether or not the same is available for distribution and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if it were distributed by way of dividend and in the same proportions, on the footing that the same is not paid in cash but is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in paying up in full unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution provided that, for the purposes of this Article, a share premium account and any capital redemption reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the Company to be allotted to such Members credited as fully paid.
- (2) Notwithstanding any provisions in these Articles, the Board may resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including a share premium account and the profit and loss account) whether or not the same is available for distribution by applying such sum in paying up unissued shares to be allotted to (i) employees (including directors) of the Company and/or its affiliates (meaning any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than the Company) that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Company) upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Members at a general meeting, or (ii) any trustee of any trust to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Members at a general meeting.

145. The Board may settle, as it considers appropriate, any difficulty arising in regard to any distribution under the last preceding Article and in particular may issue certificates in respect of fractions of shares or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.

### SUBSCRIPTION RIGHTS RESERVE

146. The following provisions shall have effect to the extent that they are not prohibited by and are in compliance with the Act:

- (1) If, so long as any of the rights attached to any warrants issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provisions of the conditions of the warrants, would reduce the subscription price to below the par value of a share, then the following provisions shall apply:
  - (a) as from the date of such act or transaction the Company shall establish and thereafter (subject as provided in this Article) maintain in accordance with the provisions of this Article a reserve (the "Subscription Rights Reserve") the amount of which shall at no time be less than the sum which for the time being would be required to be capitalised and applied in paying up in full the nominal amount of the additional shares required to be issued and allotted credited as fully paid pursuant to sub- paragraph (c) below on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Rights Reserve in paying up such additional shares in full as and when the same are allotted;
  - (b) the Subscription Rights Reserve shall not be used for any purpose other than that specified above unless all other reserves of the Company (other than share premium account) have been extinguished and will then only be used to make good losses of the Company if and so far as is required by law;



- (c) upon the exercise of all or any of the subscription rights represented by any warrant, the relevant subscription rights shall be exercisable in respect of a nominal amount of shares equal to the amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be the relevant portion thereof in the event of a partial exercise of the subscription rights) and, in addition, there shall be allotted in respect of such subscription rights to the exercising warrant holder, credited as fully paid, such additional nominal amount of shares as is equal to the difference between:
- (i) the said amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights); and
  - (ii) the nominal amount of shares in respect of which such subscription rights would have been exercisable having regard to the provisions of the conditions of the warrants, had it been possible for such subscription rights to represent the right to subscribe for shares at less than par and immediately upon such exercise so much of the sum standing to the credit of the Subscription Rights Reserve as is required to pay up in full such additional nominal amount of shares shall be capitalised and applied in paying up in full such additional nominal amount of shares which shall forthwith be allotted credited as fully paid to the exercising warrant holders; and
- (d) if, upon the exercise of the subscription rights represented by any warrant, the amount standing to the credit of the Subscription Rights Reserve is not sufficient to pay up in full such additional nominal amount of shares equal to such difference as aforesaid to which the exercising warrant holder is entitled, the Board shall apply any profits or reserves then or thereafter becoming available (including, to the extent permitted by law, share premium account) for such purpose until such additional nominal amount of shares is paid up and allotted as aforesaid and until then no dividend or other distribution shall be paid or made on the fully paid shares of the Company then in issue. Pending such payment and allotment, the exercising warrant holder shall be issued by the Company with a certificate



evidencing his right to the allotment of such additional nominal amount of shares. The rights represented by any such certificate shall be in registered form and shall be transferable in whole or in part in units of one share in the like manner as the shares for the time being are transferable, and the Company shall make such arrangements in relation to the maintenance of a register therefor and other matters in relation thereto as the Board may think fit and adequate particulars thereof shall be made known to each relevant exercising warrant holder upon the issue of such certificate.

- (2) Shares allotted pursuant to the provisions of this Article shall rank *pari passu* in all respects with the other shares allotted on the relevant exercise of the subscription rights represented by the warrant concerned. Notwithstanding anything contained in paragraph (1) of this Article, no fraction of any share shall be allotted on exercise of the subscription rights.
- (3) The provision of this Article as to the establishment and maintenance of the Subscription Rights Reserve shall not be altered or added to in any way which would vary or abrogate, or which would have the effect of varying or abrogating the provisions for the benefit of any warrant holder or class of warrant holders under this Article without the sanction of a special resolution of such warrant holders or class of warrant holders.
- (4) A certificate or report by the auditors for the time being of the Company as to whether or not the Subscription Rights Reserve is required to be established and maintained and if so the amount thereof so required to be established and maintained, as to the purposes for which the Subscription Rights Reserve has been used, as to the extent to which it has been used to make good losses of the Company, as to the additional nominal amount of shares required to be allotted to exercising warrant holders credited as fully paid, and as to any other matter concerning the Subscription Rights Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all warrant holders and shareholders.

### ACCOUNTING RECORDS

147. The Board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and

liabilities of the Company and of all other matters required by the Act or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

148. The accounting records shall be kept at the Office or, at such other place or places as the Board decides and shall always be open to inspection by the Directors. No Member (other than a Director) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board or the Company in general meeting.
149. Subject to Article 150, a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the general meeting and at the same time as the notice of annual general meeting and laid before the Company at the annual general meeting held in accordance with Article 56 provided that this Article shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures.
150. Subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the Listing Rules, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 149 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, summarised financial statements derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.
151. The requirement to send to a person referred to in Article 149 the documents referred to in that article or a summary financial report in accordance with Article 150 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the Listing

Rules, the Company publishes copies of the documents referred to in Article 149 and, if applicable, a summary financial report complying with Article 150, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.

### AUDIT

152.(1) At the annual general meeting or at a subsequent extraordinary general meeting in each year, the Members shall by ordinary resolution appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the next annual general meeting. Such auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company.

(2) The Members may, at any general meeting convened and held in accordance with these Articles, by ordinary resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term. App. 3  
17

153. Subject to the Act the accounts of the Company shall be audited at least once in every year.

154. The remuneration of the Auditor shall be fixed by an ordinary resolution passed at a general meeting or in such manner as the Members may by ordinary resolution determine. App. 3  
17

155. The Directors may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Directors under this Article may be fixed by the Board. Subject to Article 152(2), an Auditor appointed under this Article shall hold office until the next following annual general meeting of the Company and shall then be subject to appointment by the Members under Article 152(1) at such remuneration to be determined by the Members under Article 154.

156. The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto; and he may call on the Directors or officers of the Company for any information in their possession relating to the books or affairs of the Company.
157. The statement of income and expenditure and the balance sheet provided for by these Articles shall be examined by the Auditor and compared by him with the books, accounts and vouchers relating thereto; and he shall make a written report thereon stating whether such statement and balance sheet are drawn up so as to present fairly the financial position of the Company and the results of its operations for the period under review and, in case information shall have been called for from Directors or officers of the Company, whether the same has been furnished and has been satisfactory. The financial statements of the Company shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the Auditor shall be submitted to the Members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the Cayman Islands. If so, the financial statements and the report of the Auditor should disclose this fact and name such country or jurisdiction.

### NOTICES

158. Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the Listing Rules), whether or not, to be given or issued under these Articles from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appropriate newspapers in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws,

by placing it on the Company's website or the website of the Designated Stock Exchange, and giving to the member a notice stating that the notice or other document is available there (a "notice of availability"). The notice of availability may be given to the Member by any of the means set out above other than by posting it on a website. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.

159. Any Notice or other document:

- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the Notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A Notice placed on the Company's website or the website of the Designated Stock Exchange, is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;
- (c) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch or transmission; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the act and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof; and

- (d) may be given to a Member either in the English language only or in both the English language and the Chinese language or, with the consent of or election by any member, in the Chinese language only to such member, subject to due compliance with all applicable Statutes, rules and regulations.

160.(1) Any Notice or other document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall, notwithstanding that such Member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder unless his name shall, at the time of the service or delivery of the Notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such Notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

- (2) A Notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a Member by sending it through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.

- (3) Any person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every Notice in respect of such share which prior to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such share.

### SIGNATURES

161. For the purposes of these Articles, a facsimile or electronic transmission message purporting to come from a holder of shares or, as the case may be, a Director or alternate Director, or, in the case of a corporation which is a holder of shares from a director or the secretary thereof or a duly appointed attorney or duly authorised representative thereof for it and on its behalf, shall

in the absence of express evidence to the contrary available to the person relying thereon at the relevant time be deemed to be a document or instrument in writing signed by such holder or Director or alternate Director in the terms in which it is received. The signature to any Notice or document to be given by the Company may be written, printed or made electronically.

### WINDING UP

162.(1) Subject to Article 162(2), the Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.

(2) Unless otherwise provided by the Act, a resolution that the Company be wound up by the court or to be wound up voluntarily shall be a special resolution. App. 3  
21

163.(1) Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares (i) if the Company shall be wound up and the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such members in proportion to the amount paid up on the shares held by them respectively and (ii) if the Company shall be wound up and the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the paid-up capital such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

(2) If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Act, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of properties of one kind or shall consist of properties to be divided as aforesaid of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of the Members as



the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

### INDEMNITY

- 164.(1) The Directors, Secretary and other officers and every Auditor of the Company at any time, whether at present or in the past, and the liquidator or trustees (if any) acting or who have acted in relation to any of the affairs of the Company and everyone of them, and everyone of their heirs, executors and administrators, shall 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 which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto; PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.
- (2) Each Member agrees to waive any claim or right of action he might have, whether individually or by or in the right of the Company, against any Director on account of any action taken by such Director, or the failure of such Director to take any action in the performance of his duties with or for the Company; PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director.

### FINANCIAL YEAR

165. Unless otherwise determined by the Directors, the financial year of the Company shall end on the 30th day of September in each year.



AMENDMENT TO MEMORANDUM AND ARTICLES OF  
ASSOCIATION AND NAME OF COMPANY

166. No Article shall be rescinded, altered or amended and no new Article shall be made until the same has been approved by a special resolution of the Members. A special resolution shall be required to alter the provisions of the memorandum of association or to change the name of the Company. App. 3  
16

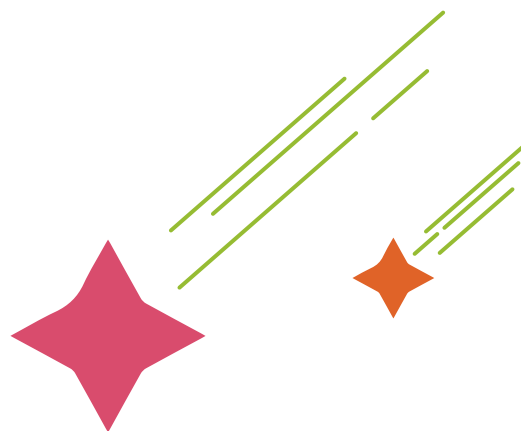
INFORMATION

167. No Member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the members of the Company to communicate to the public.

EDICO Holdings Limited

鉅京控股有限公司\*

(Incorporated in the Cayman Islands with limited liability 於開曼群島註冊成立之有限公司)  
Stock code 股份代號 : 8450



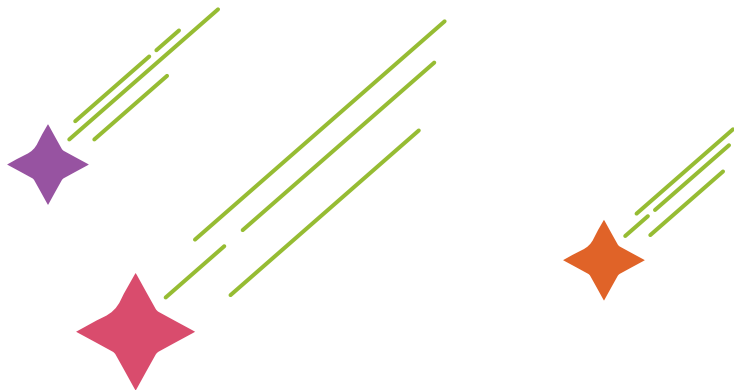
Annual Report 年報 2020/2021



**Hold the Vision,  
Trust the Process**



\* For identification purpose only 僅供識別



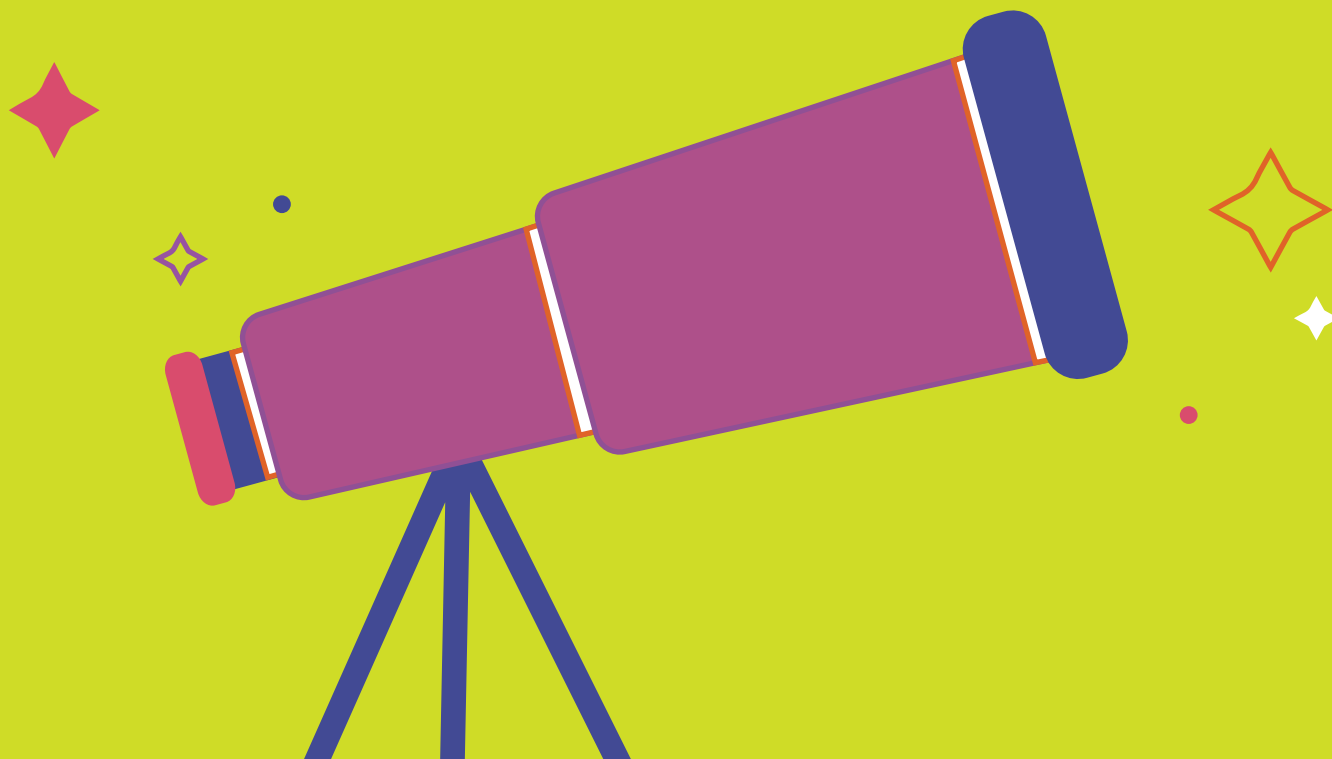
## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE” AND THE “GEM”, RESPECTIVELY)

**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.



# COVER STORY

## 2020-2021

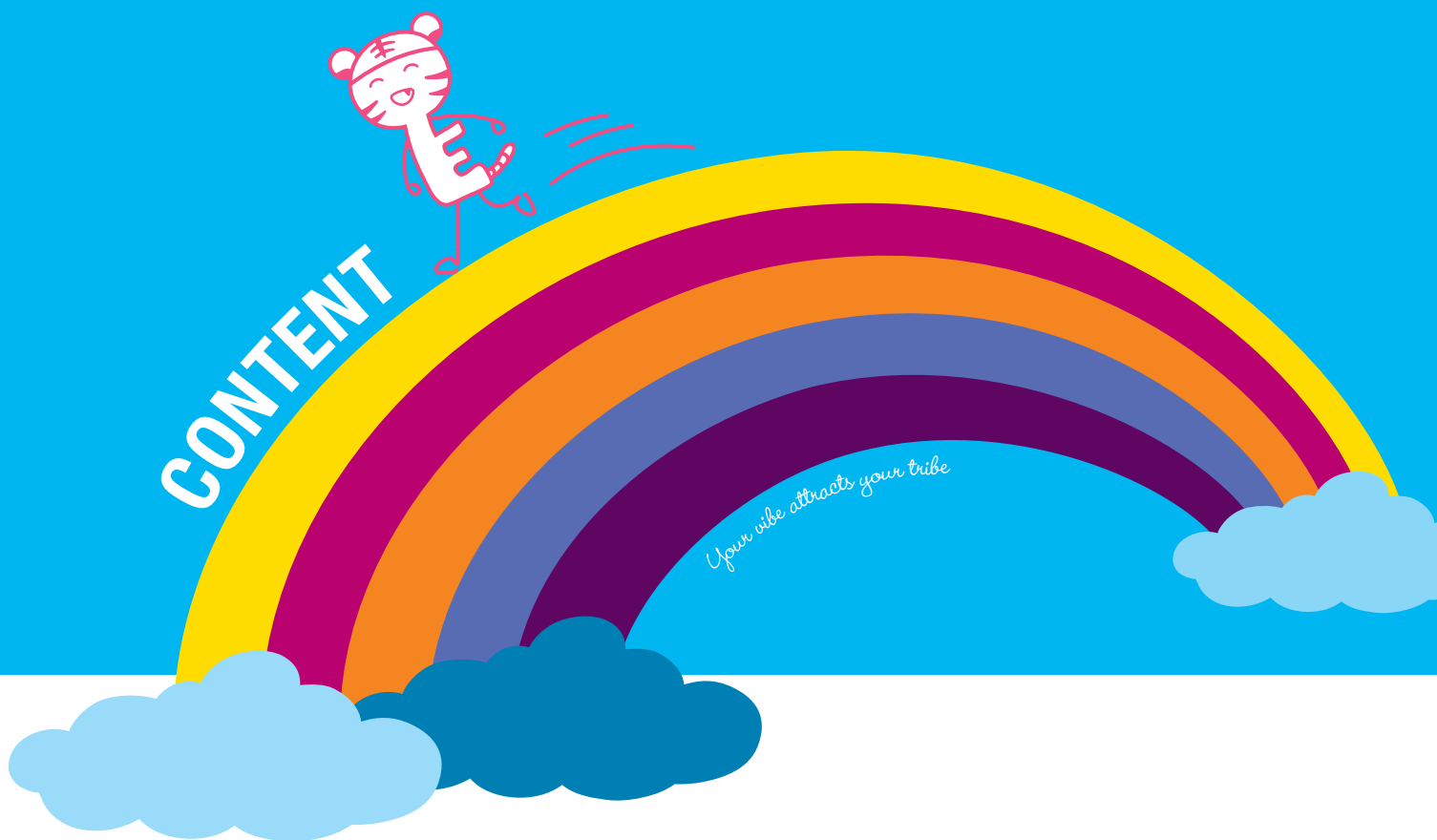
If life is a long meandering journey, the ups and downs along the course are those inevitable awaiting to happen. If every day is a lesson, how should we cope with the many lessons ahead?

In EDICO, every one of us are infused with positive thinking. Deep into people business, we have learnt to rein in every day challenge by clear vision, and honest work. Amid uncertainty, we focus on present, not looking back; fears and worries will not dwell in our dictionary.

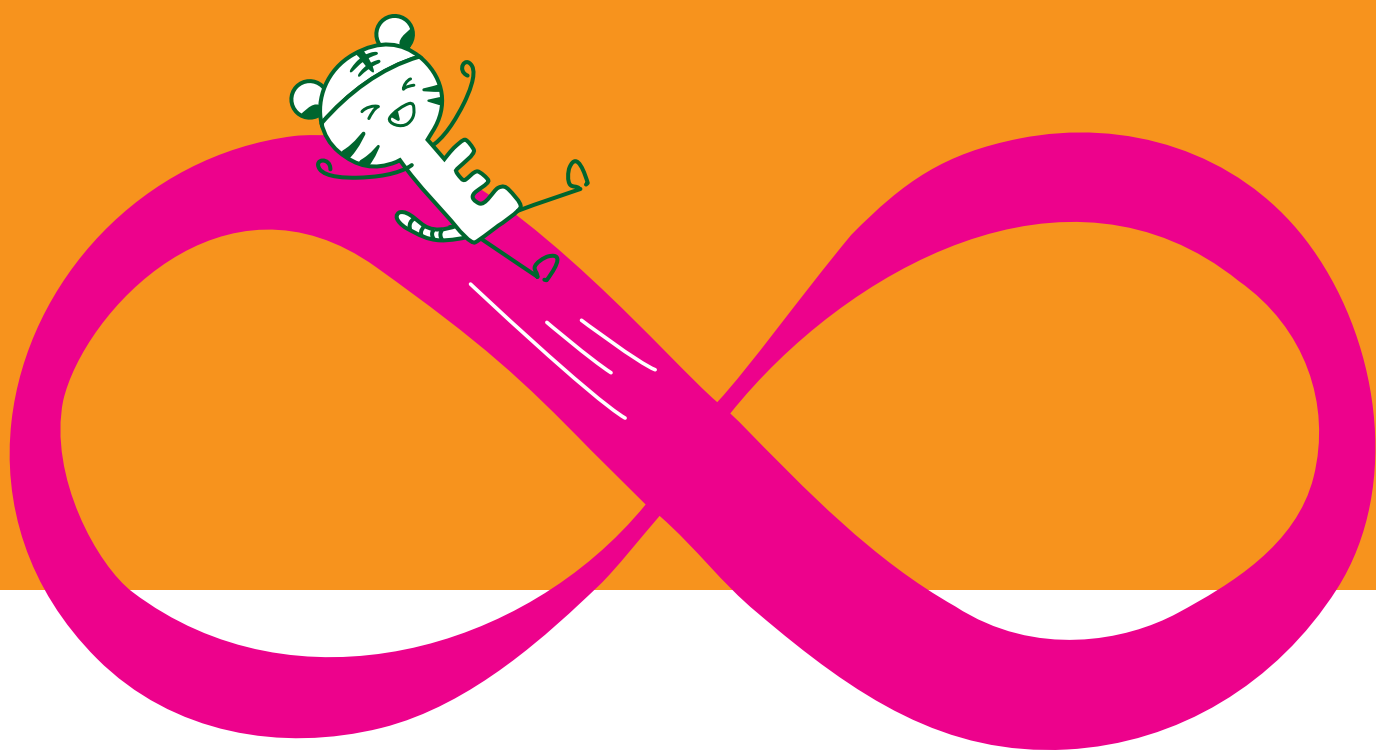
On reflection, not every day is clear and shiny; every challenge is an opportunity in mask. Survivors are those who won't succumb to circumstances easily, but continue with dogged resilience and momentum. We, the EDICO people, are proud to be part of this camp.

Last but not least, gratitude is due to customers who have walked us through and to members in EDICO who have made every vision to be a reality.





04	Corporate Information
06	Chairman's Statement
07	CEO's Message
09	Management Discussion and Analysis
18	Directors and Senior Management Profiles
22	Directors' Report
35	Corporate Governance Report
53	Independent Auditor's Report
59	Consolidated Statement of Profit or Loss and Other Comprehensive Income
60	Consolidated Statement of Financial Position
61	Consolidated Statement of Changes in Equity
62	Consolidated Statement of Cash Flows
63	Notes to the Consolidated Financial Statements
104	Financial Summary



*Once you become fearless, life becomes limitless*





# 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 (*Chairperson*)  
Mr. Wan Chun Wai Andrew  
Ms. Chan Chiu Yee Natalie

### REMUNERATION COMMITTEE

Mr. Wan Chun Wai Andrew (*Chairperson*)  
Mrs. Donati Chan Yi Mei Amy  
Ms. Chan Chiu Yee Natalie

### NOMINATION COMMITTEE

Ms. Chan Chiu Yee Natalie (*Chairperson*)  
Mr. Chan Tsang Tieh  
Mr. Wan Chun Wai Andrew

## COMPANY SECRETARY

Ms. Cheng Kwai Yee *FCCA*

## 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

PKF Hong Kong Limited  
26/F, Citicorp Centre  
18 Whitefield Road  
Causeway Bay  
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



# CORPORATE INFORMATION

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

8/F., Wheelock House  
20 Pedder Street  
Central  
Hong Kong

## 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

Union Registrars Limited  
Suites 3301-04, 33/F.  
Two Chinachem Exchange Square  
338 King's 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 EDICO Holdings Limited ("EDICO" or the "Company"), I present the financial results of the Company and its subsidiaries (collectively the "Group") for the financial year ended 30th September 2021 (the "Year").

Under the COVID-19 pandemic, protracted social distancing restrictions and cautious Hong Kong IPO market sentiment amid the regulatory development in mainland China posted constant challenges to our business. Nevertheless, we have strengthened our operational capabilities and overall competitiveness throughout the years for customer retention. We believe the demand of the premium financial printing services will stay strong in long term and EDICO is well positioned to capitalize the opportunity. Meanwhile, we devoted substantial effort in integrating sustainability practices into our daily operations to create value for our stakeholders.

I would like to take this opportunity to express my heartfelt gratitude to my fellow directors, our management team, staff, business partners and shareholders for their devastating support over the Year.

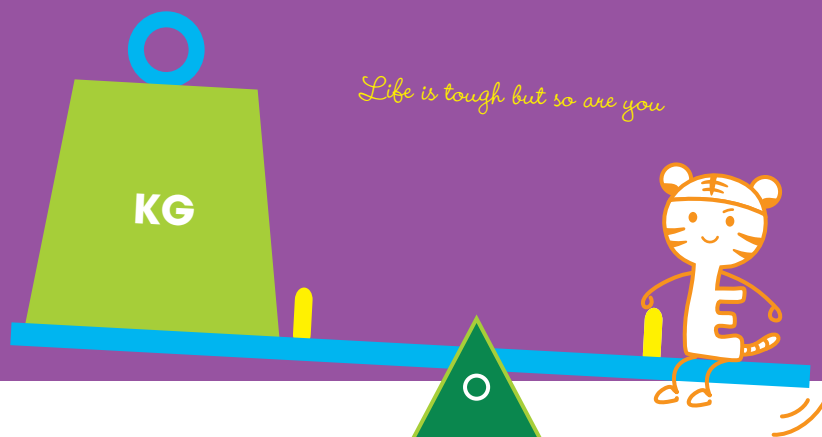
**Chan Tsang Tieh**

*Chairman and Executive Director*

Hong Kong, 28th January 2022



# CEO'S MESSAGE



As a dedicated and devoted financial printer, EDICO is obligated to offer 24x7 uninterrupted services to our customers in any circumstances. This is particularly challenging under the COVID-19 pandemic. In order to balance the well-beings of all our stakeholders, we have to ensure our offices fully functional, as well as protecting the health and safety of our colleagues, customers, business partners and the communities. We were doing all we can to keep everyone safe by following all the pandemic prevention measures advised by the Hong Kong government, and proactively implementing a range of precautionary measures, from stringent sanitation and cleaning protocols to workplace distancing, temperature checks, access controls and online meetings.

Despite the challenges faced, we continued to invest in our hardware and software over the past few years to strengthen our operational efficiency and overall competitiveness. Experienced business development personnel has also joined our sales team during the Year for expanding our customer base. These early investments have successfully mitigated the impact of the paperless listing and subscription regime introduced by the Hong Kong Stock Exchange. Moreover, EDICO has always proactively supported sustainable development for striking a proper balance among business growth, environmental and social values. During the Year, we launched the “No Plastic Fantastic” program to reduce plastic consumptions in our offices.

Looking forward, we are cautious but hopeful about the prospects for the macro-environment ahead. There are still considerable uncertainties for the duration of the COVID-19 outbreak and when the social distancing measures could be lifted. Expectation of returning to normal life largely depends on the severity of the new coronavirus variants.

We remain positive on the outlook of the Hong Kong IPO market in long term as the pipeline of IPO applicants stood at high level, in particular for biotech and health care companies, and that will foster the demand for premium financial printing services. We will endeavor to persevere the provision of the best financial printing services in the city and capitalize any market opportunities, not only for IPO-related documents but also other listing related documents such as annual/interim reports, and Environment Social and Governance (“ESG”) reports. Our missions are to provide premium, unique and tailor-made services and solutions to our customers, and create the long-term values of the shareholders.

**Donati Chan Yi Mei Amy**

*Chief Executive Officer*

Hong Kong, 28th January 2022





## 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



*Inhale courage exhale fear*

## BUSINESS REVIEW AND OUTLOOK

The Company and its subsidiaries (collectively the “Group”) aims to constantly engage proactive thinking and look not just for short-term solutions, but more importantly, also for comprehensive and versatile strategies based on its core corporate values and facilitate through observation, vision for the long-term with an utmost attitude. Given our beliefs, EDICO strives to be a premium service provider in the financial market.

The Group focuses on operating 24/7 integrated pre and post printing services with customers mainly from financial and capital markets. We offer a wide range of comprehensive printing services, namely typesetting, proofreading, translation, design, printing and binding, distribution and media placement. The printed documents we produce cover a vast array of corporate financial-related printed materials, including:

- (i) Listing-related Documents;
- (ii) Periodical Reporting Documents;
- (iii) Compliance Documents; and
- (iv) Miscellaneous and Marketing Collaterals.

Set out below is the revenue attributable to each category of documents and their percentage to the total revenue we handled during the year ended 30 September 2021 (“Year 2021”) and year ended 30 September 2020 (“Year 2020”):

	2021		2020	
	HK\$'000	%	HK\$'000 (Restated)	% (Restated)
Listing-related documents	14,207	24.7	41,468	50.6
Periodical reporting documents	25,352	44.1	25,097	30.6
Compliance documents	14,562	25.3	13,602	16.6
Miscellaneous and marketing collaterals	3,411	5.9	1,804	2.2
	57,532	100	81,971	100

For the Year 2020 and Year 2021, revenue attributable to the top five customers amounted to approximately 31.1% (restated) and 23.1% 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 Year 2020 and Year 2021, the Group subcontracted some of the translation works to independent translation companies and printing and binding works to independent printing factories and incurred approximately HK\$23.2 million and HK\$16.5 million of translation and printing subcontracting costs respectively, representing approximately 61.6% and 59.0% of our total cost of services respectively.



# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

The following table extracts certain major items of the consolidated financial information of the Group during the Year 2021:

	2021 HK\$'000	2020 HK\$'000 (Restated)
Revenue	<b>57,532</b>	81,971
Cost of services	<b>(27,944)</b>	(37,634)
Gross profit	<b>29,588</b>	44,337
Gross profit margin	<b>51.4%</b>	54.1%
(Loss)/profit before tax	<b>(1,809)</b>	11,262
(Loss)/profit for the year	<b>(1,729)</b>	11,262
Net (loss)/profit margin	<b>(3.0%)</b>	13.7%



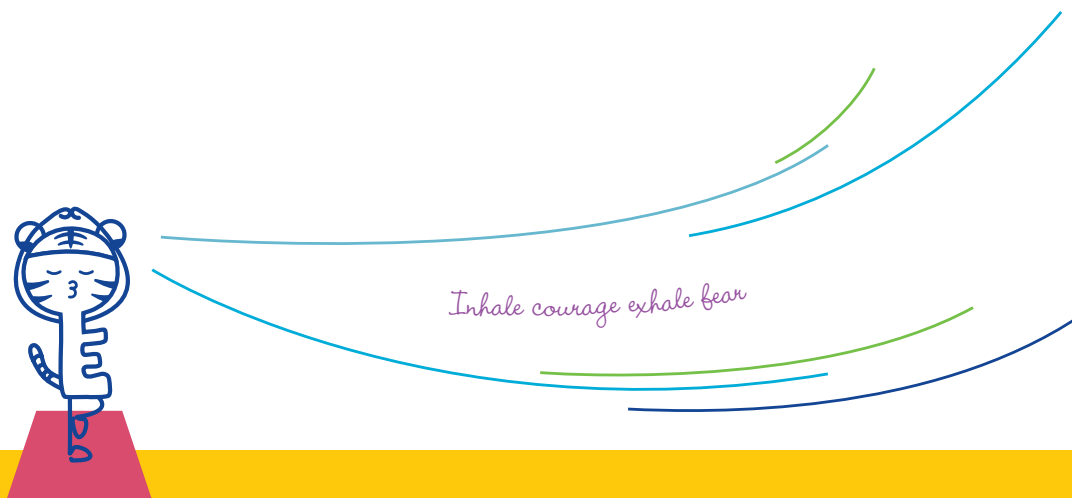
## REVENUE

For the Year 2020 and Year 2021, the Group's revenue was approximately HK\$82.0 million (restated) and HK\$57.5 million respectively. The decrease was mainly attributable to the delays and cancellations of certain projects during the Year 2021.

## 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 customers' catering costs. For the Year 2020 and Year 2021, cost of services amounted to approximately HK\$37.6 million and HK\$27.9 million respectively. The decrease in cost of services was generally in line with the decrease of the Group's revenue during the Year 2021.

# MANAGEMENT DISCUSSION AND ANALYSIS



## GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's gross profit decreased by approximately HK\$14.7 million, or 33.2%, from approximately HK\$44.3 million (restated) for the Year 2020 to approximately HK\$29.6 million for the Year 2021. Gross profit margins for the Year 2020 and Year 2021 were approximately 54.1% (restated) and 51.4%, respectively. The decrease was in line with the decrease of the Group's revenue during the period under review.

## SELLING EXPENSES

The Group's selling expenses increased by approximately HK\$0.9 million, or 33.3%, from approximately HK\$2.7 million for the Year 2020 to approximately HK\$3.6 million for the Year 2021. The increase was mainly due to the increase in marketing expenses and staff costs.

## ADMINISTRATIVE EXPENSES

The Group's administrative expenses decreased by approximately HK\$2.7 million, or 8.4%, from approximately HK\$32.0 million (restated) for the Year 2020 to approximately HK\$29.3 million for the Year 2021. The decrease was mainly due to the net effect of the decrease in impairment losses on trade receivables and contract assets, the decrease in professional fees and the decrease of staff costs.





# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCE COSTS

The Group's finance costs represented interest on lease liabilities under Hong Kong Financial Reporting Standard 16.

## INCOME TAX CREDIT/EXPENSE

There was no income tax expense for the Group for the Year 2020 and Year 2021 as the Company and its operating subsidiaries either had no assessable profits or had available tax losses brought forward from prior years (2020: HK\$Nil). The income tax credit in the Year 2021 represented over-provision for income tax in previous period.

## (LOSS)/PROFIT FOR THE YEAR AND NET (LOSS)/PROFIT MARGIN

The Group recorded a net loss after tax of approximately HK\$1.7 million for the Year 2021 as compared with a net profit of approximately HK\$11.3 million (restated) for Year 2020. The change was primarily due to the decrease of the Group's revenue during the Year 2021.

The net profit/(loss) margins were 13.7% (restated) for the Year 2020 and (3.0)% for the Year 2021 respectively.

## INTEREST COVERAGE RATIO

Interest coverage ratio was not applicable to the Group as the Group did not have any borrowings and therefore, had not incurred any interest expenses from borrowings during the respective years.

## RETURN ON TOTAL ASSETS

The return on total assets was approximately 10.6% (restated) for the Year 2020 and it turned to a negative percentage of approximately 1.9% for the Year 2021.

## RETURN ON EQUITY

The return on equity was approximately 16.2% (restated) for the Year 2020 and it turned to a negative percentage of approximately 2.5% for the Year 2021.

## DIVIDEND

The board of directors of the Company (the “**Directors**” and the “**Board**”, respectively) has resolved not to recommend the payment of a final dividend in respect of the Year 2021 (2020: Nil).



# 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 as below:

Objective	KPIs	Strategies
Maximise value for the shareholders	Gross profit margin <sup>(1)</sup> = 51.4% (2020: 54.1% (restated))  Return on total assets <sup>(2)</sup> = (1.9%) (2020: 10.6% (restated))  Return on equity <sup>(3)</sup> = (2.5%) (2020: 16.2% (restated))	The Group has implemented effective cost control measures, pricing arrangement and capital expenditure.
Maintain the Group’s liquidity and monitor capital structure	Cash and cash equivalents = approximately HK\$65.9 million (2020: approximately HK\$69.7 million)  Current ratio <sup>(4)</sup> = 3.8 times (2020: 2.8 times (restated))  Gearing ratio <sup>(5)</sup> = N/A (2020: N/A)  Net debt to equity ratio <sup>(6)</sup> = Net cash position (2020: Net cash position)	The Group adopts a prudent financial management policy to regularly monitor its liquidity requirements and 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.

Notes:

1. Gross profit margin is calculated by dividing the gross profit for the year by revenue and then multiplied by 100%.
2. Return on total assets is calculated by dividing the net profit/(loss) for the year by the total assets as at the respective year end and then multiplied by 100%.
3. Return on equity is calculated by dividing the net profit/(loss) for the year by the total equity as at the respective year end and then multiplied by 100%.
4. Current ratio is calculated by dividing the total current assets by the total current liabilities as at the respective year end.
5. Gearing ratio is calculated by dividing the total borrowings by the total equity as at the respective year end and then multiplied by 100%.
6. 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 denominated in HK\$, except for certain trade receivables which were denominated in United States dollars ("USD") and cash on hand and bank deposits which were denominated in USD, 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 2021. 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

Our Group generally do not enter into long-term agreements with our customers and may not be able to retain existing customers or secure new customers. We engage our subcontractors on a project-by-project basis for some of our translation works and printing works to our subcontractors and their failure to meet our requirements may affect the quality of our services. However, 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.

## 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 shareholders.

As at 30th September 2021, the Group had cash and cash equivalents of approximately HK\$65.9 million (2020: HK\$69.7 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 net proceeds from the listing of the shares of the Company (the "Shares") in issue on GEM of the Stock Exchange (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 30th September 2021, the Group's current assets amounted to approximately HK\$84.4 million (2020: HK\$86.3 million (restated)) and current liabilities amounted to approximately HK\$22.4 million (2020: HK\$31.2 million (restated)). Current ratio was 3.8 times as at 30th September 2021 (2020: 2.8 times (restated)).

The gearing ratio was not applicable to the Group as at 30th September 2020 and 2021 as the Group did not have any outstanding debt.



# MANAGEMENT DISCUSSION AND ANALYSIS

## CAPITAL STRUCTURE

There was no change in the Company's capital structure during the Year 2021. Considering the current financial position of the Group and provided that there is no unforeseeable adverse 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

The Group had no acquisitions and disposals of subsidiaries, associates or joint ventures for the Year 2021.

## SEGMENTAL INFORMATION

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

## NUMBER AND REMUNERATION OF EMPLOYEES, REMUNERATION POLICIES, BONUS AND SHARE OPTION SCHEMES AS WELL AS TRAINING SCHEMES

As at 30th September 2021, the Group had 66 (2020: 60) 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\$2.3 million (2020: HK\$1.9 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\$21.3 million (2020: HK\$20.4 million).

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

The Company has adopted a share option scheme to reward the eligible participants for their contribution to the Group. The Group also provides continuous trainings to the employees to improve their skills and develop their potential. It provides mandatory trainings to the new staff based on the tasks they perform in the course of its 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 THE GROUP'S ASSETS

As at 30th September 2021 and 2020, the Group did not have any loans and banking facility and therefore, no asset had been pledged to any parties.



# MANAGEMENT DISCUSSION AND ANALYSIS

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS AND THE EXPECTED SOURCES OF FUNDING

The Group did not have any significant investments or any other plans for material investments or capital assets as at 30th September 2021.

## CONTINGENT LIABILITIES

As at 30th September 2021 and 2020, the Group had no significant contingent liabilities.

## USE OF NET PROCEEDS FROM THE LISTING

On 2nd February 2018 (the “**Listing Date**”), 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 were issued at HK\$0.22 per Share in relation to its Share Offer (as defined in the prospectus of the Company dated 23rd January 2018 (the “**Prospectus**”). The net proceeds received from the Listing, after deducting the underwriting commission and all related Listing expenses (the “**Net Proceeds**”) were amounted to approximately HK\$28.7 million. The Company has utilised, and will continue to utilise, the Net Proceeds for the purposes consistent with those stated in the section headed “Future Plans and Use of Proceeds” as set out in the Prospectus.

The table below sets out the planned applications of the Net Proceeds and the actual usage during the Year 2021:

Intended application of the Net Proceeds	Total expenditure of the planned applications (Note 1) (HK\$ million)	Planned use of the Net Proceeds (Note 2) (HK\$ million)	Actual usage from the Listing Date and up to 30th September 2020 (HK\$ million)	Actual usage for the Year (HK\$ million)	Unutilised Net Proceeds as at 30th September 2021 (HK\$ million)	Expected timeline to fully utilise the unutilised Net Proceeds
Upgrading the Central Office (Note 3) and setting up a new office	18.6	13.9	3.9	1.0	9.0	30th September 2022
Expanding the workforce	10.0	7.5	6	1.5	—	30th September 2021
Upgrading and acquiring equipment and software	6.0	4.5	1.3	1.0	2.2	30th September 2022

Notes:

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

As at the date of this 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 the unutilised Net Proceeds.



# MANAGEMENT DISCUSSION AND ANALYSIS

## 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.

### Business objectives as set out in the Prospectus

### Actual progress for the Year

— Upgrading the Central Office and setting up a new office <sup>(Note)</sup>	The renovation work of the Central Office had been completed by the end of December 2018 and a new office was relocated to a more spacious office located in New Kowloon Plaza, Hong Kong by the end of August 2020.
— Expanding the workforce <sup>(Note)</sup>	The Group has recruited additional staff to join the sales, services and operations departments.
— Upgrading and acquiring equipment and software <sup>(Note)</sup>	The Group has upgraded its computer, email system and existing server configuration, and acquired conference rooms' facilities for serving its customers.

Note: Reference is made to the Prospectus under the section headed "Use of Proceeds". It is disclosed that the Company planned to utilise a portion of the Net Proceeds for setting up a new office which (i) was to replace the office located at New Kowloon Plaza, West Kowloon, Hong Kong (the "**Kowloon Office**") upon the lease expiration in August 2018 and (ii) would be in the proximity of the Central Office. At the time the Group designated its plan in the section headed "Use of Proceeds" and the time it was actively sourcing an appropriate office in the vicinity of Central and western districts in Hong Kong subsequent to the Listing, the Group found that rental had soared significantly during the intervening period. During the year ended 30th September 2018, the Group, therefore, resorted to extend the lease contract of the Kowloon Office for another year. The lease contract was further extended till August 2020. The Company announced on 7th August 2020 in relation to the selection of location of new office. In view of the social unrest in Hong Kong since mid-2019 and the outbreak of the COVID-19 worldwide, the economy and the market situation of Hong Kong have been severely hit. It is expected to have a continuous adverse impact on the economic outlook which remains uncertain. After careful considerations, the Group decided to keep two workstations in two separate districts to avoid intermittent disruption of our services for enhancement of risk management and contingency purpose. Besides, the office rents in Kowloon area are generally lower than that in Central and Western District, the Company finally decided to relocate the Kowloon Office to a more spacious office located in New Kowloon Plaza, having additional conference room facilities to our existing and potential customers. Having considered the increasing by competitive business environment and the uncertainties of the economic outlook, the Group did not fully utilise the Net Proceeds according to the planned time frame disclosed in the Prospectus and the Company's annual report 2018/2019. We planned to delay the utilisation of the Net Proceeds from 31st March 2020 to 31st March 2021 and further from 31st March 2021 to 30th September 2022.

# • DIRECTORS AND SENIOR MANAGEMENT PROFILES

## DIRECTORS



### Mr. Chan Tsang Tieh (陳增鈺) • Executive Director and Chairman

**Mr. Chan**, aged 71, is the chairman of the board of directors of the Company (the “**Directors**”, the “**Board**” and the “**Chairman**”, respectively) and an executive Director, responsible for providing strategic advice to our Company and its subsidiaries (the “**Group**”). Mr. Chan was appointed as a Director on 20th May 2016 and was re-designated as an executive Director and appointed as the Chairman on 22nd June 2017. Mr. Chan is also a member of the nomination committee of the Board (the “**Nomination Committee**”) and the sole 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 100%-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**”). During the period from 1986 to 2004, 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. 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 (陳綺媚) • Executive Director and Chief Executive Officer

**Mrs. Donati**, aged 47, 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 Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and other relevant laws and regulations. Mrs. Donati is also a member of the remuneration committee of the Board. She was appointed as an executive Director on 22nd June 2017 and as the Chief Executive Officer on 30th June 2017. She joined our Group on 1st 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 over 2 decades 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 Donnelley Financial Solutions Hong Kong Limited (formerly known as 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 (LLB) and a Bachelor of Business Administration in July 1996.

# DIRECTORS AND SENIOR MANAGEMENT PROFILES



## Mr. Li Wai Ming (李威明) • Independent Non-executive Director

**Mr. Li**, aged 51, was appointed as an independent non-executive Director (the “**INED**”) on 15th November 2017. He is primarily responsible for supervising and providing independent judgment to the Board. Mr. Li is also the chairperson of each of our Board’s audit committee (the “**Audit Committee**”) and risk management committee (the “**Risk Management Committee**”).

Mr. Li has about 20 years of experience in the finance industry. From March 1997 to March 1999, Mr. Li worked in leading accounting firms. He held the position of senior finance manager in a company listed on the Stock Exchange before his retirement. Mr. Li also served as an independent non-executive director of China International Development Corporation 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 Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators) in the UK, a member of The Hong Kong Institute of Chartered Secretaries. Mr. Li obtained his master of professional accounting degree in November 2004 from the Hong Kong Polytechnic University.



## Mr. Wan Chun Wai Andrew (尹振偉) • Independent Non-executive Director

**Mr. Wan**, aged 66, was appointed as an INED on 15th November 2017. He is primarily responsible for supervising and providing independent judgment to the Board. Mr. Wan is also the chairperson of our Board’s remuneration committee (the “**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 a School Manager of a kindergarten.

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 degree from the University of South Australia in October 2009.



## DIRECTORS AND SENIOR MANAGEMENT PROFILES



### **Ms. Chan Chiu Yee Natalie (曾昭怡)** • *Independent Non-executive Director*

**Ms. Chan**, aged 35, was appointed as an INED on 15th November 2017. She is primarily responsible for supervising and providing independent judgment to the Board. Ms. Chan is also the chairperson of our Nomination Committee and a member of each of our Audit Committee, Remuneration Committee and Risk Management Committee.

Ms. Chan has over 10 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 degree from Bentley University in the United States in May 2008 as well as her juris doctor degree in December 2010 and her postgraduate certificate in laws in July 2011, both from the Chinese University of Hong Kong.

## COMPANY SECRETARY



### **Ms. Cheng Kwai Yee (鄭桂儀)** • *Chief Financial Officer and Company Secretary*

**Ms. Cheng**, aged 45, is the company secretary and the Chief Financial Officer of our Company. Ms. Cheng joined the Group in April 2010 and is responsible for overseeing the Group's 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, an educational software service company, from March 2008 to March 2010 mainly responsible for handling accounting matters. 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. 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 degree from the Hong Kong Baptist University in December 1998.



# DIRECTORS AND SENIOR MANAGEMENT PROFILES

## SENIOR MANAGEMENT

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



### **Ms. Cheng Kwai Yee (鄭桂儀)** • *Chief Financial Officer and Company Secretary*

**Ms. Cheng Kwai Yee (鄭桂儀)** is the company secretary and the Chief Financial Officer of our Company.

For the biography of Ms. Cheng, please see the subsection headed "Senior Management" above.



### **Ms. Lok Yuen Yu Izabel (駱婉如)** • *Chief Operations Officer*

**Ms. Lok**, aged 49, 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 18 years of experience in the financial printing industry. Ms. Lok was an account servicing director of iOne (Regional) Financial Press Limited from November 2005 to December 2009, mainly responsible for customer services. She served as a customer service executive in Donnelley Financial Solutions Hong Kong Limited (formerly known as Roman Financial Press Limited) 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. Lee Shuk Yee (李淑儀)** • *Sales Director*

**Ms. Lee**, aged 55, 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. 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. She served as an account director in The Design Associates Limited between September 2002 and April 2011, and was primarily responsible for managing customer relationship.

Ms. Lee graduated from the Hong Kong Shue Yan College (currently known as the Hong Kong Shue Yan University) with a diploma from the Department of Journalism in July 1990. In addition, Ms. Lee 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' 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 30th September 2021 (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 28 to the Consolidated Financial Statements of this annual report.

## BUSINESS REVIEW

Further discussion and analysis of the performance of the Group, including a fair review of the business of the Group, an analysis using financial key performance indicators, a discussion of the principal risks and uncertainties faced by the Group and an indication of likely future developments in the Group’s business, can be found in the sections headed “Chairman’s Statement”, “CEO’s Message” and “Management Discussion and Analysis” of this annual report. The financial risk management objectives and policies of the Group are set out in note 33 to the Consolidated Financial Statements of this annual report. Those discussions form part of this report.

## ENVIRONMENTAL POLICIES AND PERFORMANCE

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.

## COMPLIANCE WITH LAWS AND REGULATIONS

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 that have a significant impact on the Group.

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.



# DIRECTORS' REPORT

## RELATIONSHIP WITH STAKEHOLDERS

The Group recognises that employees, customers and business partners are key 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 by providing orientation training for new employees and on-the-job training and organising team building events.

The Group also organises 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. It does not foresee any difficulty in procurement nor has it 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 30th September 2021 and up to the date of this report.

## USE OF NET PROCEEDS FROM LISTING

The shares of the Company (the “**Shares**”) in issue were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**” and the “**Listing**”, respectively) on 2nd February 2018 (the “**Listing Date**”). The net proceeds from the Listing amounted to approximately HK\$28.7 million. Details of the use of such proceeds are set out in the section headed “Management Discussion and Analysis” of this annual 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 59 of this annual report.

## FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for each of the last five financial years is set out on page 104 of this annual report.

## DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the Year.

## ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company is scheduled to be held on 15th March 2022 (the “**2022 AGM**”). For the purpose of determining those shareholders of the Company (the “**Shareholders**”) who are entitled to attend and vote at the 2022 AGM, the register of members of the Company will be closed from 10th March 2022 to 15th March 2022 (both days inclusive), during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the 2022 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, Union Registrars Limited, Suites 3301–04, 33/F, Two Chinachem Exchange Square 338 King’s Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on 9th March 2022.

## 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 are set out in note 25 to the Consolidated Financial Statements of this annual report.

## RESERVES

Details of the movements in the reserves of the Group and the Company during the Year are set out in page 61 and page 102 of this annual report, respectively.

## DISTRIBUTABLE RESERVES

As at 30th September 2021, the Company’s reserves available for distribution, calculated in accordance with the provisions of Companies Law of the Cayman Islands, amounted to approximately HK\$36.8 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**”) or 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 Year, 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*)

Mrs. Donati Chan Yi Mei Amy (*Chief Executive Officer*)

### INDEPENDENT NON-EXECUTIVE DIRECTORS (THE “INEDS”)

Mr. Li Wai Ming

Mr. Wan Chun Wai Andrew

Ms. Chan Chiu Yee Natalie

In accordance with article 84(1) of the Articles of Association, Mr. Chan Tsang Tieh and Ms. Chan Chiu Yee Natalie shall retire at the 2022 AGM and, being eligible, offered themselves for re-election.

The Company has received annual confirmation in writing 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 (the “**GEM Listing Rules**”). 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.

Information regarding Directors' emoluments and the five highest paid individuals in the Group are set out in notes 11 and 12 to the Consolidated Financial Statements of this annual report, respectively.

## 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 of the Company, has entered into a letter of appointment with the Company on 16th January 2018 for an initial term of three years commencing on the Listing Date and were automatically renewed upon their expiry on 16th January 2021 for another three years, 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 for a term of three years unless terminated by at least three months' notice in writing served by either party on the other.

None of the Directors proposed for re-election at the 2022 AGM has an unexpired 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 that (i) will or may result in the Company issuing Shares or (ii) require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Group during the Year or existed as at 30th September 2021.

## ARRANGEMENTS FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Year or as at 30th September 2021 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 30th September 2021, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

### LONG POSITION IN THE SHARES

Name of Director	Capacity	Nature of interests	Number of Shares held	Percentage of interest in the Company
Mr. Chan Tsang Tieh (“Mr. Chan”) (Note)	Interest in a controlled corporation	Corporate interest	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 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 September 2021, 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.

## INTERESTS OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

As at 30th September 2021, so far as is known to the Directors, the following entity (not being a Director or the chief executive of the Company) had, or was deemed to have, interests or short positions (directly or indirectly) in the Shares or underlying Shares that would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as follows:

### LONG POSITION IN THE SHARES

Name of Shareholder	Capacity	Nature of interests	Number of Shares held	Percentage of interest in the Company
Achiever Choice (Note)	Beneficial owner	Personal interest	750,000,000	75%

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

Save as disclosed above and so far as is known to the Directors, as at 30th September 2021, the Directors were not aware of any other entity which or person (other than a Director or the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares that 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 (the “**Share Option Scheme**”) was approved and conditionally adopted by the then sole shareholder of the Company by way of written resolutions on 16th January 2018. The Share Option Scheme became effective on the Listing Date.

As no options have been granted by the Company under the Share Option Scheme since its adoption, there was no option outstanding as at 30th September 2021 and no options were exercised or cancelled or lapsed during the Year.

The principal terms of the Share Option Scheme are set out as follows:

### (1) PURPOSE

The purpose of the Share Option Scheme is to enable the Company to grant options to eligible participants (as stated below) as incentive or reward for their contribution to the Group to subscribe for the Shares, thereby linking their interest with that of the Group.



# DIRECTORS' REPORT

## (2) ELIGIBLE PARTICIPANTS

The eligible participants include employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner of the Company or any subsidiary (including any director of the Company or any subsidiary) who is in full-time or part-time employment with or otherwise engaged by the Company or any subsidiary at the time when an option is granted to such employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner or any person who, in the absolute discretion of the Board, has contributed or may contribute to the Group.

## (3) MAXIMUM NUMBER OF SHARES AVAILABLE FOR ISSUE

The maximum number of Shares in respect of which options may be granted at any time under the Share Option Scheme shall not exceed 100,000,000 Shares.

## (4) MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

Unless approved by the Shareholders in general meeting and subject to the following paragraph, the total number of Shares issued and to be issued upon exercise of the options granted to each grantee (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue.

Where any grant of options to a substantial Shareholder or an INED, or any of his/her/its associates (as defined in the GEM Listing Rules), would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares on the Stock Exchange at the date of each grant, in excess of HK\$5 million,

such further grant of options must be approved by the Shareholders.

## (5) PERIOD WITHIN WHICH THE SHARES MUST BE TAKEN UP UNDER AN OPTION

An option may be exercised at any time during the period to be determined and identified by the Board to each grantee at the time of making an offer for the grant of an option, but in any event no later than 10 years from the date of grant but subject to the early termination of the Share Option Scheme.

## (6) MINIMUM PERIOD FOR WHICH AN OPTION MUST BE HELD BEFORE IT CAN BE EXERCISED

Though there is no specified minimum period under the Share Option Scheme for which an option must be held or the performance target which must be achieved before an option can be exercised under the terms and conditions of the Share Option Scheme, the Directors may make such grant of options, subject to such terms and conditions in relation to the minimum period of such options to be held and/or the performance targets to be achieved as the Directors may determine in their absolute discretion.



## (7) PERIOD FOR AND CONSIDERATION PAYABLE ON ACCEPTANCE OF AN OPTION

An offer shall be deemed to have been accepted by an eligible participant concerned in respect of all Shares which are offered to such eligible participant when the duplicate letter comprising acceptance of the offer duly signed by the eligible participant, together with a non-refundable remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the offer (which shall not be later than 21 days from, and inclusive of, the date of offer).

## (8) BASIS OF DETERMINING THE EXERCISE PRICE

The subscription price for Shares under the Share Option Scheme shall be determined at the discretion of the Directors but in any event will not be less than the highest of: (a) the closing price of the Shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the offer date of the particular option, which must be a business day; (b) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the offer date of that particular option; and (c) the nominal value of a Share on the offer date of the particular option.

## (9) REMAINING LIFE

The Share Option Scheme shall be valid and effective commencing on the adoption date of the Share Option Scheme until the termination date as provided therein (which being the close of business of the Company on the date which falls ten years from the date of the adoption of the Share Option Scheme), after which period no further options will be granted but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

## 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.

## 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 (a) any business or interest in a business that competed or might compete with the business of the Group and (b) any other conflicts of interest 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 23.1% of the total revenue of the Group for the Year (2020: approximately 31.1% (restated)) and the Group's largest customer accounted for approximately 6.6% of the total revenue of the Group for the Year (2020: approximately 10.1% (restated)).

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 collectively accounted for approximately 33.5% of the total cost of services of the Group for the Year (2020: approximately 39.6%) and the Group's largest supplier accounted for approximately 8.7% of the total cost of services of the Group for the Year (2020: approximately 14.9%).

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 30th September 2021 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 (as defined in the GEM Listing Rules) 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 16th 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 of the Company dated 23rd January 2018. The audit committee of the Board (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 30th September 2021 or at any time during the Year.

## CHANGE IN DIRECTORS' INFORMATION

The Company is not aware of any change in the Directors' information, which is required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

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

## PERMITTED INDEMNITY

The Articles of Association provide that the Directors shall 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 which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices. Such provisions were in force during the course of the Year and remained in force as of the date of this report.

## MANAGEMENT CONTRACTS

No contracts, other than employment contracts of the Directors and senior management members, 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' remuneration is determined by the Board upon the recommendation of its remuneration committee 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, 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.



# DIRECTORS' REPORT

## DONATIONS

During the Year, charitable donations of HK\$5,700 were made by the Group (2020: Nil).

## 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 Year 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 Year.

Details of the principal corporate governance practices of the Group are set out in the section headed “Corporate Governance Report” on pages 35 to 51 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 18 of this annual report. The company secretary of the Company is Ms. Cheng Kwai Yee (who is also the Company’s Chief Financial Officer). Her biographical details is set out on page 20 of this annual report.

## INTERESTS OF COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company appointed Giraffe Capital Limited as its compliance adviser (the “**Compliance Adviser**”). The Compliance Adviser has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules. As notified by the Compliance Adviser, during the period from 1st October 2020 to 31st December 2020, except for the compliance adviser agreement entered into between the Company and the Compliance Adviser concerning the fees payable by the Company to the Compliance Adviser for acting in such capacity, none of the Compliance Adviser or its directors, employees or close associates (as defined in the GEM Listing Rules) had any interests in the securities of the Company or any member of the Group (including options or rights to subscribe for such securities), which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules. The agreement with the Compliance Adviser expired on 1st January 2021.

## REVIEW BY AUDIT COMMITTEE

The audited consolidated financial statements of the Group for the Year and this annual report have been reviewed by the Audit Committee.

## INDEPENDENT AUDITOR

Martin C.K. Pong & Company (“**MCKP**”) resigned as the auditor of the Company with effect from 9th December 2021. PKF Hong Kong Limited (“**PKF**”) has been appointed as the auditor of the Company with effect from 14th December 2021 to fill the casual vacancy following the resignation of MCKP.

PKF will retire as the independent auditor of the Company and, being eligible, offer themselves for re-appointment at the forthcoming 2022 AGM. A resolution for their re-appointment will be proposed at the forthcoming 2022 AGM.

On behalf of the Board

**Chan Tsang Tieh**

*Chairman and Executive Director*

Hong Kong, 28th January 2022





# CORPORATE GOVERNANCE REPORT

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

The Company has complied with all applicable code provisions as set out in the Corporate Governance Code as contained in Appendix 15 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”, the “**GEM Listing Rules**” and the “**CG Code**”, respectively) during the year ended 30th September 2021 (the “**Year**”), except as disclosed in this report.

## SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings in the securities as contained 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. 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 Year.

## 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 (the “**Management**”) 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 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 Year 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 Year, the Company had three INEDs, and has met the requirements of the GEM Listing Rules and that one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise.

The Company has received an annual confirmation of independence in writing from each of the INEDs pursuant to Rule 5.09 of the GEM Listing Rules. 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.

During the Year, the chairman of the Board (the “**Chairman**”), being an executive Director, had held a meeting with the INEDs without the presence of the other executive Director.



# 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.

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 are summarised as follows:

Name of Directors	Type of trainings
Mr. Chan Tsang Tieh	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

The Board is scheduled to meet at least 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 thereof is open for the Directors' inspection.

During the Year, four regular Board meetings were held and, amongst other matters, considered and approved the audited consolidated financial statements of the Group for the year ended 30th September 2020 (the "**Year 2020**") as well as the unaudited condensed consolidated financial statements of the Group for the three months ended 31st December 2020, for the six months ended 31st March 2021 and for the nine months ended 30th June 2021, respectively.





# CORPORATE GOVERNANCE REPORT

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

Name of Directors	No. of Attendance/ No. of Meetings
Mr. Chan Tsang Tieh	1/4
Mrs. Donati Chan Yi Mei Amy	4/4
Mr. Li Wai Ming	4/4
Mr. Wan Chun Wai Andrew	4/4
Ms. Chan Chiu Yee Natalie	4/4

During the Year, the Company held an annual general meeting (the “**AGM**”) of the Shareholders on 8th February 2021 (the “**2021 AGM**”) and was attended by all Directors, despite that Mr. Chan Tsang Tieh, the Chairman, was unable to attend the 2021 AGM in person, he participated through video conferencing, Mrs. Donati Chan Yi Mei Amy, an executive Director and the chief executive officer of the Company (the “**CEO**”), took the chair of the 2021 AGM in accordance with the Articles of Association to ensure an effective communication with the Shareholders.

## BOARD DIVERSITY POLICY

The Board has 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 Year 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 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.



# CORPORATE GOVERNANCE REPORT

## 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.

### AUDIT COMMITTEE

The Audit Committee was established on 16th January 2018 with written terms of reference in compliance with the CG Code. Such terms of reference were amended on 28th December 2018. 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 chairperson 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 the Management); and reviewing the draft management letter, any material queries raised by the auditor to the Management in respect of the accounting records, financial accounts or systems of control including the 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 review performed by the Board, ensuring coordination between the Board and external auditors and ensuring that the Board is adequately resourced and has appropriate standing within the Group;



# CORPORATE GOVERNANCE REPORT

- developing and implementing a policy on engaging an external auditor to supply non-audit services;
- discussing with the Management the scope and quality of systems of risk management and internal control and ensuring that the 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 the 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.

During the Year, four Audit Committee meetings were held and the Audit Committee, amongst other matters, considered, reviewed and approved (i) for presentation to the Board for consideration and approval of (a) the draft audited consolidated financial statements of the Group for the Year 2020, unaudited condensed consolidated financial statements of the Group for the three months ended 31st December 2020, for the six months ended 31st March 2021 and for the nine months ended 30th June 2021, respectively; (b) the re-appointment of the auditor at the 2021 AGM; and (ii) audit-related matters.

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

Name of Directors	No. of Attendance/ No. of Meetings
Mr. Li Wai Ming	4/4
Mr. Wan Chun Wai Andrew	4/4
Ms. Chan Chiu Yee Natalie	4/4

## REMUNERATION COMMITTEE

The Remuneration Committee was established on 16th January 2018 with written terms of reference in compliance with the CG Code. Such terms of reference were amended on 5th February 2020. 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 chairperson of the Remuneration Committee.



# CORPORATE GOVERNANCE REPORT

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 as well as employment conditions, responsibilities and individual performance of the Directors, senior management and the general staff of the Group. 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 on the policy and structure for the remuneration of the Directors and senior management of the Company (the “**Senior Management**”) formal and transparent procedure for developing a remuneration policy;
- making recommendations to the Board on the remuneration packages of individual executive Directors and the Senior Management, including benefits in kind, pension rights, compensation payments (including compensation payable for the loss or termination of office or appointment etc.) if considered appropriate;
- making recommendations to the Board on the remuneration of non-executive Directors (including the INEDs);
- considering salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;
- reviewing and approving the compensation payable to executive Directors and the Senior Management for any loss or termination of the office or appointment to ensure that it is consistent with the contractual terms and is otherwise fair and not excessive;
- reviewing and approving compensation arrangements relating to the dismissal or removal of Directors for misconduct to ensure that they are consistent with the contractual terms and are otherwise reasonable and appropriate;
- ensuring that no Director or member of the Senior Management or any of their respective associates (as defined in the GEM Listing Rules) is involved in deciding his/her own remuneration;
- 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.



# CORPORATE GOVERNANCE REPORT

During the Year, one Remuneration Committee meeting was held, which, amongst other matters, determined the remuneration of the Directors and the Senior Management 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 Year 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 16th 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 chairperson 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;
- 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, 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.



# CORPORATE GOVERNANCE REPORT

During the Year, one Nomination Committee meeting was held, which, 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 2021 AGM.

The attendance of each Director in the capacity of a member of the Nomination Committee at the meeting during the Year 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

The Company has adopted a nomination policy with the following details:

## *Objective*

The Nomination Committee shall nominate suitable candidates to the Board to consider and make recommendations to Shareholders for election as a Director at general meeting or appoint as a Director to fill casual vacancy.

## *Selection Criteria*

The factors listed below would be considered by the Nomination Committee in assessing the proposed candidate:

- Reputation
- Experience in the industry
- Commitment in respect of available time and interest
- Diversity, including but not limited to gender, age (18 years or above), cultural, educational background, professional experience.

The above factors are for reference only; the Nomination Committee has the discretion to nominate any person, as it considers appropriate.

Proposed candidates will need to submit the necessary personal information, together with the written consent to be appointed as a Director.

The Nomination Committee may request candidates to provide additional information and documents, if necessary.



# CORPORATE GOVERNANCE REPORT

## *Nomination Procedures*

The Nomination Committee shall make recommendations for the Board's consideration and approval. The nominated persons shall not assume that they have been proposed by the Board for election not until the issue of the shareholder circular.

A circular, with the information of the candidates nominated by the Board and invitation of nominations from Shareholders, will then be sent to Shareholders.

The circular will set out the period for Shareholders to make the nominations. The names, independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations, of the proposed candidates will be included in the circular to Shareholders.

Shareholders can serve a notice to the Company Secretary within the period of his/her/its intention to propose a resolution to elect a certain person as a Director, without the Board's recommendation or the Nomination Committee's nomination, other than those candidates set out in the shareholder circular. The particulars of the candidates so proposed will be sent to all Shareholders for information by a supplementary circular.

A candidate is allowed to withdraw his/her candidature at any time before the general meeting at which his/her proposed directorship will be considered by the Shareholders, by serving a written notice to the Company Secretary.

The Board shall have the final decision on all matters relating to its recommendation of candidates.

## **RISK MANAGEMENT COMMITTEE**

The Risk Management Committee was established on 16th 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 chairperson 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;



# CORPORATE GOVERNANCE REPORT

- 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.

During the Year, one Risk Management Committee meeting was held, which, amongst other matters, reviewed the risk management and internal control systems 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 Year 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 CPD 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

All the Directors, including the INEDs, are subject to retirement by rotation and eligible for re-election in accordance with the Articles of Association. At each AGM of the Company, one-third of the Directors for the time being (or, if their number 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 of the other Directors subject to retirement by rotation 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" of this annual report for the Year by band is set out below:

Remuneration band (in HK\$)	Number of individuals
Nil to 1,000,000	4



# CORPORATE GOVERNANCE REPORT

## INDEPENDENT AUDITOR'S REMUNERATION

For the Year, PKF Hong Kong Limited ("PKF") was engaged as the independent auditor of the Company.

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

Services	Fee paid/payable HK\$'000
Audit services — Annual audit	800
Total	800

## 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.

## 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.

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



# CORPORATE GOVERNANCE REPORT

## 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 requirements 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;
- 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 Company Secretary are authorised to communicate with parties outside the Group.

## COMPANY SECRETARY

Company Secretary supports the Board by ensuring good information flow within the Board and that the Board policy and procedures are followed. The Company Secretary is responsible for advising the Board on corporate governance matters and facilitating induction and professional development of the Directors. All Directors have access to the advice and services of the Company Secretary to ensure that the Board procedures and all applicable laws, rules and regulations are followed.

During the Year, Ms. Cheng Kwai Yee (“**Ms. Cheng**”) and Sir Kwok Siu Man KR (“**Sir Seaman Kwok**”) were Joint Company Secretaries until Sir Seaman Kwok tendered his resignation as a Joint Company Secretary with effect from 27th January 2021. Since then, Ms. Cheng has remained in office and acted as the sole Company Secretary and continued to perform and discharge the duties of the Company Secretary under the GEM Listing Rules. She meets the qualification requirements for company secretary under Rule 5.14 of the GEM Listing Rules and has taken no less than 15 hours of relevant professional training during the Year pursuant to Rule 5.15 of the GEM Listing Rules.



# CORPORATE GOVERNANCE REPORT

## 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

Pursuant to the Articles of Association, 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 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 two 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.



# CORPORATE GOVERNANCE REPORT

## 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, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square 338 King's 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 chairperson of the appropriate committee; and
3. ordinary business matters, such as suggestions, enquiries and client complaints to the appropriate management of the Company.

## DIVIDEND POLICY

The Board has approved and modified the dividend policy to provide Shareholders with regular dividends (the "**Dividend Policy**"). The Company endeavors to deliver sustainable expectation to the Shareholders and to maintain a prudent capital management.

Under the Dividend Policy, the Board shall take into account the following factors:

- the Company's actual and expected financial performance;
- the retained earnings and distributable reserves of the Company and each of the members of the Group;
- the level of the Group's debts to equity ratio and the return on equity ratio;
- the Group's expected working capital requirements and future expansion plans;
- general economic conditions, business cycle of the Group's business and other internal and external factors that may have impact on the business or financial performance and position of the Company; and
- any other factors that the Board consider appropriate.

The Board will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividend and/or in no way obligate the Company to declare a dividend at any time or from time to time.

Any final dividend declared by the Company must be approved by an ordinary resolution of Shareholders at an AGM and must not exceed the amount recommended by the Board.



# CORPORATE GOVERNANCE REPORT

## 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

There was no change in the constitutional documents of the Company during the Year.

# FINANCIAL STATEMENTS



*Rain is just confetti from the sky*



# 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 (collectively referred to as the “Group”) set out on pages 59 to 103, which comprise the consolidated statement of financial position as at 30th September 2021; and 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 for the year then ended; and 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 30th September 2021, 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.



# INDEPENDENT AUDITOR'S REPORT

Key audit matters identified in our audit are summarised as follows:

- Revenue recognition
- Impairment assessment of contracts assets and trade receivable

## Key Audit Matter

## How our audit addressed the Key Audit Matter

### Revenue recognition

Refer to Note 6(a) (significant accounting judgments and estimates) and Note 8 (revenue) to the consolidated financial statements.

The Group recognised revenue of HK\$57,532,000 from provision of financial printing services for the year ended 30th September 2021.

Revenue from provision of financial printing services is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation at reporting date using input method as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. We identified the recognition of revenue from provision of financial printing services as a key audit matter due to the financial significance of revenue in the consolidated financial statements and the significant judgements required in determining the earliest time at which the Group can reasonably measure the outcome of the performance obligation and estimation required for measuring the progress and variable consideration.

Our procedures in relation to revenue recognition mainly included:

- Obtaining an understanding of the processes and testing the Group's internal controls over the recognition of revenue;
- Reviewing signed fee proposals with customers to understand the terms of the provision of financial printing services to assess if the revenue recognition policy applied by the Group is in compliance with HKFRS 15 *Revenue from Contracts with Customers*;
- Assessing the reasonableness of management's revised judgement applied in determining the earliest time at which the Group can reasonably measure the outcome of the performance obligation and estimation required for measuring the progress and variable consideration; and
- Checking the mathematical accuracy of and examining the incurred costs to date by tracing to source documentation on a sample basis and evaluating their recoverability.



# INDEPENDENT AUDITOR'S REPORT

## Key Audit Matter

## How our audit addressed the Key Audit Matter

### Impairment assessment of trade receivables and contract assets

Refer to Note 6(b) (significant accounting judgments and estimates) and Note 18 (trade receivables) and Note 19 (contract assets/contract liabilities) to the consolidated financial statements.

As at 30th September 2021, trade receivables and contract assets recognised by the Group amounted to HK\$20,908,000 and HK\$3,312,000 respectively. The related provision for expected credit losses for trade receivables and contract assets recognised by the Group amounted to HK\$6,550,000 and HK\$3,019,000 respectively.

Management judgement is involved in assessing the appropriateness of forward-looking information used for estimating expected credit losses. Management estimated the expected credit losses, based on historical credit loss experience by customers as adjusted for forward-looking information. The impact of economic factors, both current and future, is considered in assessing the likelihood of recovery from customer, where applicable.

We focus on the area due to the significant management's judgement and estimation involved in assessing the expected credit losses.

Our procedures in relation to impairment assessment of trade receivables and contract assets mainly included:

- Reviewing management's assessment of the overall policies and procedures in relation to expected credit losses model for estimating impairment provisions and assessing the appropriateness of the model applied by the management;
- Assessing the reasonableness of management's judgement and estimates for expected credit losses by examining the information used by management, including testing accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information; and
- Checking the subsequent settlements made by customers to relevant bank records on a sample basis.



# INDEPENDENT AUDITOR'S REPORT

## OTHER MATTER

The consolidated financial statements of the Group for the year ended 30th September 2020 were audited by another auditor who expressed an unmodified opinion on those statements in their report on 15th December 2020.

## OTHER INFORMATION

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.

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 AND THE AUDIT COMMITTEE 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 of the Company 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 Audit Committee is responsible for overseeing the Group's financial reporting process.



# INDEPENDENT AUDITOR'S REPORT

## 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, in accordance with our agreed terms of agreement 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 HKSA's 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 HKSA's, 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.
- 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.



# INDEPENDENT AUDITOR'S REPORT

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, actions taken to eliminate threats or safeguards applied.

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 Wan Tak Shing (Practising Certificate Number: P04844).

**PKF Hong Kong Limited**  
*Certified Public Accountants*

Hong Kong, 28th January 2022



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30th September 2021

	Notes	2021 HK\$'000	2020 HK\$'000 (Restated)
Revenue	8	57,532	81,971
Cost of services		(27,944)	(37,634)
Gross profit		29,588	44,337
Other income	9	2,058	2,619
Selling expenses		(3,625)	(2,690)
Administrative expenses		(29,319)	(31,953)
Finance costs		(511)	(1,051)
(Loss)/profit before tax	10	(1,809)	11,262
Income tax credit	13	80	—
(Loss)/profit and total comprehensive (expense)/income for the year attributable to owners of the Company		(1,729)	11,262
		HK cents	HK cents (Restated)
(Loss)/earnings per share attributable to owners of the Company			
Basic and diluted	15	(0.17)	1.13

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th September 2021

		As at 30th September		As at
	Notes	2021 HK\$'000	2020 HK\$'000 (Restated)	1st October 2019 HK\$'000 (Restated)
<b>Non-current Assets</b>				
Property, plant and equipment	16	2,260	2,696	3,292
Right-of-use assets	17	4,784	16,809	25,575
<b>Total Non-current Assets</b>		<b>7,044</b>	19,505	28,867
<b>Current Assets</b>				
Trade receivables	18	14,358	11,899	18,158
Contract assets	19	293	290	1,675
Prepayments, deposits and other receivables	20	3,808	4,165	3,714
Income tax recoverable		—	260	561
Cash and cash equivalents	21	65,908	69,657	47,399
<b>Total Current Assets</b>		<b>84,367</b>	86,271	71,507
<b>Current Liabilities</b>				
Trade payables	22	7,514	9,182	6,369
Contract liabilities	19	8,263	6,675	7,338
Accruals	23	2,700	3,012	2,707
Lease liabilities	17	3,906	12,290	10,839
<b>Total Current Liabilities</b>		<b>22,383</b>	31,159	27,253
<b>Net Current Assets</b>		<b>61,984</b>	55,112	44,254
<b>Total Assets less Current Liabilities</b>		<b>69,028</b>	74,617	73,121
<b>Non-current Liability</b>				
Lease liabilities	17	1,110	4,970	14,736
<b>Net Assets</b>		<b>67,918</b>	69,647	58,385
<b>Capital and Reserves</b>				
Share capital	25	10,000	10,000	10,000
Reserves	26	57,918	59,647	48,385
<b>Total Equity</b>		<b>67,918</b>	69,647	58,385

The consolidated financial statements were approved and authorised for issue by the board of directors on 28th January 2022 and were signed on its behalf by:

**Mr. Chan Tsang Tieh**  
Director

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



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30th September 2021

	Share capital HK\$'000 (Note 25)	Share premium HK\$'000 (Note 26(i))	Capital reserve HK\$'000 (Note 26(ii))	Merger reserve HK\$'000 (Note 26(iii))	Retained profits HK\$'000	Total HK\$'000
At 1st October 2019 (Restated)	10,000	36,735	5,074	16	6,560	58,385
Profit and total comprehensive income for the year	—	—	—	—	11,262	11,262
At 30th September 2020 (Restated)	10,000	36,735	5,074	16	17,822	69,647
Loss and total comprehensive expense for the year	—	—	—	—	(1,729)	(1,729)
<b>At 30th September 2021</b>	<b>10,000</b>	<b>36,735</b>	<b>5,074</b>	<b>16</b>	<b>16,093</b>	<b>67,918</b>



# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30th September 2021

	Notes	2021 HK\$'000	2020 HK\$'000 (Restated)
<b>Cash Flows from Operating Activities</b>			
(Loss)/profit before tax		(1,809)	11,262
Adjustments for:			
Interest income		(178)	(733)
Interest expenses		615	1,174
Depreciation of property, plant and equipment		888	886
Depreciation of right-of-use assets		12,077	11,623
Property, plant and equipment written off		—	6
Impairment losses on trade receivables		2,526	2,032
Impairment losses on contract assets		33	1,597
Written back of contract liabilities		(888)	—
<b>Operating cash flows before movements in working capital</b>		<b>13,264</b>	27,847
(Increase)/decrease in:			
— trade receivables		(4,985)	4,227
— contract assets		(36)	(212)
— prepayments, deposits and other receivables		357	(451)
(Decrease)/increase in:			
— trade payables		(1,668)	2,813
— contract liabilities		2,476	(663)
— accruals		(312)	305
Cash generated from operations		9,096	33,866
Income tax refunded		340	301
<b>Net cash from operating activities</b>		<b>9,436</b>	34,167
<b>Cash Flows from Investing Activities</b>			
Interest received		178	733
Purchases of property, plant and equipment		(452)	(296)
<b>Net cash (used in)/from investing activities</b>		<b>(274)</b>	437
<b>Cash Flows from Financing Activities</b>			
Interest paid	27	(615)	(1,174)
Repayments of principal portion of lease liabilities	27	(12,296)	(11,172)
<b>Net cash used in financing activities</b>		<b>(12,911)</b>	(12,346)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(3,749)</b>	22,258
<b>Cash and cash equivalents, at beginning of year</b>		<b>69,657</b>	47,399
<b>Cash and cash equivalents, at end of year</b>	21	<b>65,908</b>	69,657



# 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 20th 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 2nd 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 28.

The 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 consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and accounting principles generally accepted in Hong Kong.

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

The consolidated financial statements have been prepared on a historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are accounted for in accordance with HKFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in HKAS 36 Impairment of Assets (“HKAS 36”).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION (Continued)

### 2.1 PRIOR YEAR ADJUSTMENTS

In prior years, the Group recognised revenue from the provision of financial printing services for IPO projects only to the extent of the recoverable costs incurred until the time when its customers submitted the application proofs with the Stock Exchange, at which the management previously determined that it was the earliest time that it could reasonably measure the outcome of the performance obligation. Thereafter the Group estimated the amount of consideration based on the historical gross margins and measured the progress using cost-to-cost input method. Apart from these, the Group presented the revenue net of the expected credit losses on contract assets.

During the year, the Company has carried out a reassessment on the Group's revenue recognition policy and has made a revised judgement that the earliest time at which the Group can reasonably measure the outcome of the performance obligation is at the time when its customers obtain approval-in-principle letters from the Stock Exchange. Variable considerations were also re-estimated with reference to the Group's efforts or inputs to satisfy the performance obligations according to the related contract terms during the course of reassessment. Further the Group has reclassified the expected credit losses as part of the administrative expenses.

The Company's directors consider that the most appropriate treatment to address the aforesaid is to make prior year adjustments with the comparative figures restated.

The effect of adjustments in the consolidated statement of profit or loss and other comprehensive income for the year ended 30th September 2020 is as follows:

	Notes	Year ended 30th September 2020 (previously report) HK\$'000	Prior year adjustments HK\$'000	Year ended 30th September 2020 HK\$'000 (Restated)
Revenue	(a) & (b)	73,209	8,762	81,971
Cost of services		(37,634)	—	(37,634)
Gross profit		35,575	8,762	44,337
Other income		2,619	—	2,619
Selling expenses		(2,690)	—	(2,690)
Administrative expenses	(b)	(30,356)	(1,597)	(31,953)
Finance costs		(1,051)	—	(1,051)
Profit before tax		4,097	7,165	11,262
Income tax		—	—	—
Profit and total comprehensive income for the year attributable to owners of the Company		4,097	7,165	11,262
		HK cents	HK cents	HK cents
Earnings per share attributable to owners of the Company				
Basic and diluted		0.41	0.72	1.13



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION (Continued)

### 2.1 PRIOR YEAR ADJUSTMENTS (Continued)

The effect of the adjustments in the affected line items of the consolidated financial positions of the Group as at 30th September 2020 and 1st October 2019 is as follows:

		As at 1st October 2019 (previously reported) HK\$'000	Prior year adjustments HK\$'000	As at 1st October 2019 (Restated) HK\$'000	As at 30th September 2020 (previously reported) HK\$'000	Prior year adjustments HK\$'000	As at 30th September 2020 (Restated) HK\$'000
Notes							
<b>Current assets</b>							
Contract assets	(a)&(b)	10,753	(9,078)	1,675	2,428	(2,138)	290
<b>Current liabilities</b>							
Contract liabilities	(a)	6,062	1,276	7,338	5,624	1,051	6,675
<b>Total effect on net assets</b>		4,691	(10,354)	(5,663)	(3,196)	(3,189)	(6,385)
<b>Total effect on equity</b>		4,691	(10,354)	(5,663)	(3,196)	(3,189)	(6,385)

Notes:

- To adjust recognition of revenue from contracts with customers following the aforesaid reassessment made by the management.
- To adjust impairment of contract assets previously included in revenue.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3. BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Company 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.

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 over the subsidiaries, 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 Group. 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 of the elements of control described above.

## 4. APPLICATION OF NEW AND AMENDMENTS TO 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 HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform — Phase 1
Amendments to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKAS 1 and HKAS 8	Definition of Material
Conceptual Framework for Financial Reporting	Revised Conceptual Framework for Financial Reporting

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 4. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs (Continued)

### NEW AND AMENDMENTS TO HKFRSs IN ISSUE BUT NOT YET EFFECTIVE

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

HKFRS 17	Insurance Contracts and the related Amendments <sup>1</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2 <sup>4</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 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>1</sup>
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use <sup>2</sup>
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract <sup>2</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 <sup>2</sup>
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 <sup>5</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2022.

<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 January 2021.

<sup>5</sup> Effective for annual periods beginning on or after 1 April 2021.

The directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### IMPAIRMENT OF NON-FINANCIAL ASSETS

Where an indication of impairment exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset'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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### IMPAIRMENT OF NON-FINANCIAL ASSETS (Continued)

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 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.

### PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated 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 is capitalised in the carrying amount of the asset as a replacement.

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 lives. 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%

Residual values, useful lives and the depreciation method are reviewed, and adjusted prospectively 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. Any gain or loss on disposal or retirement is 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.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets or financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### *Financial assets*

All recognised financial assets are required to be subsequently measured at amortised cost or fair value on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

#### *Classification of financial assets*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### *Amortised cost and effective interest rate*

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### FINANCIAL INSTRUMENTS (Continued)

#### *Financial assets (Continued)*

##### *Impairment of financial assets*

The Group performs impairment assessment under expected credit loss (“ECL”) model on trade and other receivables, bank balances and cash and contract assets which are subject to impairment assessment under HKFRS 9 Financial Instruments (“HKFRS 9”). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets without significant financing component. For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

##### *Significant increase in credit risk*

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether the credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### FINANCIAL INSTRUMENTS (Continued)

#### *Financial assets (Continued)*

##### *Impairment of financial assets (Continued)*

##### *Significant increase in credit risk (Continued)*

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default; (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of “investment grade” as per globally understood definitions.

##### *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### FINANCIAL INSTRUMENTS (Continued)

#### *Financial assets (Continued)*

##### *Credit-impaired financial assets (Continued)*

- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

or

- the disappearance of an active market for that financial asset because of financial difficulties.

#### *Write-off policy*

The Group writes off a financial asset when there is information indicating that there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

#### *Measurement and recognition of ECL*

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exceptions of trade receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

Where ECL is measured on a collective basis to cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### FINANCIAL INSTRUMENTS (Continued)

#### *Financial assets (Continued)*

##### *Measurement and recognition of ECL (Continued)*

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics. If the Group has measured loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12m ECL at the current reporting date.

#### *Financial liabilities and equity*

##### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recognised at the proceeds received, net of direct issue costs.

##### *Financial liabilities at amortised cost*

Financial liabilities including trade payables and accruals are subsequently measured at amortised cost, using the effective interest method.

##### *Derecognition*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### 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 Group's cash management.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### LEASES

A contract is a lease if the contract transfers the right to control the use of an identified asset for a period of time in exchange for a consideration.

#### *The Group as lessee*

The Group recognises a right-of-use asset and a corresponding lease liability in which it is the lessee, except for a lease that has lease term of 12 months or less and does not contain a purchase option. For these leases, the Group recognises the lease payments as operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

#### *Right-of-use assets*

The right-of-use assets should be recognised at cost and comprise the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs incurred by the lessee. If the Group has an obligation for costs to dismantle, remove or restore the underlying asset to the condition required by the terms and conditions of the lease, provision is recognised and measured under HKAS 37 Provision, Contingent Liabilities and Contingent Assets. The costs should be included in the right-of-use asset.

Right-of-use assets are depreciated over the shorter of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Group applies HKAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Impairment of non-financial assets” policy.

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value.

#### *Lease liabilities*

Lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If the rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of lease liability comprise fixed lease payments, including in-substance fixed payments, less any lease incentives receivable.

Lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, using the effective interest method, and by reducing the carrying amount to reflect the lease payments made.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group 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.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

#### *Provision of financial printing services*

The Group provides financial printing services under contracts with customers. Such contracts are entered into before the services begin. Revenue from provision of financial printing services is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation using cost-to-cost input method as the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs.

Contract assets arise when the Group has right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. They are assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group’s unconditional right to consideration.

Contract liabilities arise when the Group has obligation to transfer goods and services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

The progress towards complete satisfaction of a performance obligation is measured based on cost-to-cost input method, which is to recognise revenue on the basis of the Group’s efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group’s performance in transferring control of services.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### GOVERNMENT GRANTS

Grants from government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of profit or loss and other comprehensive income over the period necessary to match them with the costs they are intended to compensate.

### EMPLOYEE BENEFITS

Salaries, annual bonuses, annual leave entitlements and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group.

The Group operates a defined contribution scheme, the Mandatory Provident Fund retirement benefits scheme (the “**MPF Scheme**”) under the Hong Kong 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 contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group’s 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.

### INCOME TAX

Income tax comprises current and deferred tax and are recognised in profit or loss.

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.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### INCOME TAX (Continued)

Deferred tax liabilities are recognised 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, except:

- (1) when the temporary difference arises from the initial recognition of goodwill or an asset or a 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 by the Group 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 to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax losses can be utilised, except:

- (1) when the deductible temporary difference 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.

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.

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.





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### FOREIGN CURRENCIES

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 translated into the functional currency at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the 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.

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.

### 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 an associate or a joint venture of a member of a group of which the other entity is a member);
  - (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;



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### RELATED PARTIES (Continued)

(b) (Continued)

- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (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); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

## 6. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

### (a) REVENUE RECOGNITION

The Group recognised revenue from provision of financial printing services only to the extent of the recoverable costs incurred until the Group can reasonably measure its progress towards complete satisfaction of the performance obligation. Thereafter the revenue is recognised over time by reference to the progress towards complete satisfaction of the performance obligation at the reporting date. Variable consideration is estimated based on the Group's efforts or inputs to the satisfaction of performance obligation according to the contract terms.

Significant judgement and estimates are required in determining whether the Group can measure reasonably the outcome of its performance obligation and the uncertainty associated with the estimation of the progress and variable consideration. Incorrect judgement and estimates would affect the Group's operating performance in future years.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 6. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (Continued)

### (b) IMPAIRMENT ASSESSMENT OF TRADE RECEIVABLES AND CONTRACT ASSETS

The Group makes allowances on trade receivables and contract assets based on assumptions about risk of default and expected loss rates. The allowance for trade receivables and contract assets reflects lifetime expected credit losses i.e. possible default events over the expected life of the trade receivables and contract assets, weighted by the probability of that default occurring. Judgement has been applied in determining the level of expected credit losses, taking into account the future cash flow for trade receivables and contract assets including a probability weighted amount determined by evaluating a range of possible outcomes based on the historical credit losses experience by customers, economic factors as well as forward looking estimates in assessing the likelihood of recovery from customer at the end of each reporting period. While the allowance is considered appropriate, changes in estimation basis or in economic conditions could lead to a change in the level of allowance recorded and consequently on the charge or credit to profit or loss.

## 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. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

### GEOGRAPHICAL INFORMATION

The Group's operations are located in Hong Kong and no non-current assets of the Group are located outside Hong Kong.

### INFORMATION ABOUT MAJOR CUSTOMERS

For the year ended 30th September 2021, there is no revenue from customers (2020: one) contributing over 10% of the total revenue of the Group. Revenue derived from a single customer contributing over 10% of the total revenue of the Group for prior period was HK\$8,259,000.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 8. REVENUE

An analysis of revenue from external customers is as follows:

	2021 HK\$'000	2020 HK\$'000 (Restated)
Revenue from contracts with customers and recognised over time		
Provision of financial printing services in Hong Kong	57,532	81,971

The Group elected to apply the practical expedient permitted under HKFRS 15 and not disclose about revenue that the Group will be entitled to when it satisfies the remaining unsatisfied performance obligations as at the end of the reporting period under the contracts that had an original expected duration of one year or less.

The following table shows the amounts of revenue from the provision of financial printing services recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2021 HK\$'000	2020 HK\$'000 (Restated)
Revenue recognised that was included in contract liabilities at the beginning of the reporting period	1,771	3,047

## 9. OTHER INCOME

	2021 HK\$'000	2020 HK\$'000
Bank interest income	178	733
Government grants under Employment Support Scheme	951	1,886
Written back of contract liabilities (Note)	888	—
Sundry income	41	—
	2,058	2,619

Note: They were written back after the time bar has elapsed.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 10. (LOSS)/PROFIT BEFORE TAX

	2021 HK\$'000	2020 HK\$'000 (Restated)
Auditors' remuneration		
— audit services	800	775
— tax and other services	—	252
	800	1,027
Depreciation of property, plant and equipment	888	886
Depreciation of right-of-use assets included in:		
— cost of services	592	554
— administrative expenses	11,485	11,069
	12,077	11,623
Impairment losses on trade receivables (Note 1)	2,526	2,032
Impairment losses on contract assets (Note 1)	33	1,597
Property, plant and equipment written off (Note 1)	—	6
Salaries and allowances (excluding directors' remuneration)	18,238	17,754
Contributions to MPF Scheme (Note 2)	782	750
	19,020	18,504
Interest on lease liabilities included in:		
— cost of services	104	123
— finance costs	511	1,051
	615	1,174
Expenses relating to short-term leases	—	437

Note 1: Included in administrative expenses.

Note 2: There is no contributions forfeited by the Group that may be used by the Group to reduce the existing level of contribution.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 11.DIRECTORS' REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance is as follows:

	Year ended 30th September 2021				
	Fees HK\$'000	Salaries, allowances, and benefits in kind HK\$'000	Performance related bonuses HK\$'000	MPF Scheme contributions HK\$'000	Total HK\$'000
<b>Executive directors</b>					
Mr. Chan Tsang Tieh	240	—	—	—	240
Mrs. Donati Chan Yi Mei Amy (also as chief executive)	120	1,704	—	18	1,842
	360	1,704	—	18	2,082
<b>Independent non-executive directors</b>					
Mr. Li Wai Ming	60	—	—	—	60
Mr. Wan Chun Wai Andrew	60	—	—	—	60
Ms. Chan Chiu Yee Natalie	60	—	—	—	60
	180	—	—	—	180
	540	1,704	—	18	2,262

	Year ended 30th September 2020				
	Fees HK\$'000	Salaries, allowances, and benefits in kind HK\$'000	Performance related bonuses HK\$'000	MPF Scheme contributions HK\$'000	Total HK\$'000
<b>Executive directors</b>					
Mr. Chan Tsang Tieh	240	—	—	—	240
Mrs. Donati Chan Yi Mei Amy (also as chief executive)	120	1,384	—	18	1,522
	360	1,384	—	18	1,762
<b>Independent non-executive directors</b>					
Mr. Li Wai Ming	60	—	—	—	60
Mr. Wan Chun Wai Andrew	60	—	—	—	60
Ms. Chan Chiu Yee Natalie	60	—	—	—	60
	180	—	—	—	180
	540	1,384	—	18	1,942

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 11. DIRECTORS' REMUNERATION (Continued)

Other than the independent non-executive directors' emoluments shown above were for their services as director of the Company, the emoluments shown above were for their services in connection with the management of the affairs and as directors of the Company and its subsidiaries, if applicable.

There was no arrangement under which a director or the chief executive 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.

## 12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included one (2020: one) director who is also the chief executive, details of whose remuneration are set out in note 11 above. Details of the remuneration for the year of the remaining 4 (2020: 4) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2021 HK\$'000	2020 HK\$'000
Salaries, allowances and benefits in kind	2,423	2,027
MPF Scheme contributions	72	72
	<b>2,495</b>	2,099

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

	2021	2020
Nil to HK\$1,000,000	4	4

During the year, no remuneration was paid by the Group to the non-director and non-chief executive highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 13. INCOME TAX CREDIT

Hong Kong profits tax is calculated at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year.

No provision for Hong Kong profits tax has been made as the Group has available tax losses brought forward from prior years to offset the assessable profits generated during both years.

	2021 HK\$'000	2020 HK\$'000
Current — Hong Kong		
Charge for the year	—	—
Over-provision in previous years	(80)	—
	(80)	—

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

	2021 HK\$'000	2020 HK\$'000 (Restated)
(Loss)/profit before tax	(1,809)	11,262
Tax at Hong Kong profits tax rate of 16.5% (2020: 16.5%)	(299)	1,858
Income not subject to tax	(255)	(432)
Expenses not deductible for tax purpose	6	6
Unrecognised temporary differences	19	41
Tax losses utilised	(30)	(1,757)
Tax losses not recognised	559	284
Over-provision in previous years	(80)	—
Tax credit	(80)	—



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 14. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 30th September 2021 (2020: Nil) nor has any dividend been proposed since the end of the reporting period (2020: Nil).

## 15. (LOSS)/EARNINGS PER SHARE

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

	2021 HK\$'000	2020 HK\$'000 (Restated)
(Loss)/earnings:		
(Loss)/profit for the year attributable to owners of the Company	(1,729)	11,262
	2021 '000	2020 '000
Number of shares:		
Weighted average number of ordinary shares	1,000,000	1,000,000
	HK cents	HK cents (Restated)
Basic and diluted (loss)/earnings per share	(0.17)	1.13

The diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share as the Group had no potentially dilutive ordinary shares in issue during the years ended 30th September 2021 and 2020.



# 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>Cost:</b>					
At 1st October 2019	6,885	639	837	4,327	12,688
Additions	195	12	43	46	296
Written off	(259)	—	—	—	(259)
At 30th September 2020	6,821	651	880	4,373	12,725
Additions	—	—	41	411	452
Written off	—	(32)	(46)	(926)	(1,004)
<b>At 30th September 2021</b>	<b>6,821</b>	<b>619</b>	<b>875</b>	<b>3,858</b>	<b>12,173</b>
<b>Accumulated depreciation:</b>					
At 1st October 2019	4,708	240	454	3,994	9,396
Charge for the year	550	113	92	131	886
Written back	(253)	—	—	—	(253)
At 30th September 2020	5,005	353	546	4,125	10,029
Charge for the year	537	95	103	153	888
Written back	—	(32)	(46)	(926)	(1,004)
<b>At 30th September 2021</b>	<b>5,542</b>	<b>416</b>	<b>603</b>	<b>3,352</b>	<b>9,913</b>
<b>Net carrying amount:</b>					
<b>At 30th September 2021</b>	<b>1,279</b>	<b>203</b>	<b>272</b>	<b>506</b>	<b>2,260</b>
At 30th September 2020	1,816	298	334	248	2,696

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 17. LEASES

### (i) RIGHT-OF-USE ASSETS

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

	Leased premises HK\$'000	Office equipment HK\$'000	Total HK\$'000
As at 1st October 2019	24,771	804	25,575
Additions	953	1,904	2,857
Depreciation charge for the year	(11,069)	(554)	(11,623)
As at 30th September 2020	14,655	2,154	16,809
Additions	—	52	52
Depreciation charge for the year	(11,485)	(592)	(12,077)
<b>As at 30th September 2021</b>	<b>3,170</b>	<b>1,614</b>	<b>4,784</b>

For both years, the Group leases an office, warehouse and equipment for its operations. Lease contracts for leased premises are entered into for fixed term of 2 to 3 years while lease of equipment generally have lease terms of 5 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The total cash outflow for leases was HK\$12,911,000 (2020: HK\$12,783,000).

#### *Leases committed*

As at 30th September 2021, the Group entered into a new lease that have not yet commenced, with a term of 3 years commencing from 2nd January 2022 to 1st January 2025 for its use as office and principal place of business. The total future undiscounted cash flows over the non-cancellable period amounted to HK\$25,116,000.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 17. LEASES (Continued)

### (ii) LEASE LIABILITIES

The lease liabilities are payable:

	2021 HK\$'000	2020 HK\$'000
<b>Current</b>		
Within one year	3,906	12,290
<b>Non-current</b>		
More than one year but not later than two years	610	3,897
More than two years but not later than five years	500	1,073
	1,110	4,970
	5,016	17,260

The maturity analysis of lease liabilities is disclosed in note 33 to the financial statements.

### (iii) The amount recognised in profit or loss in relation to leases are as follows:

	2021 HK\$'000	2020 HK\$'000
Depreciation of right-of-use assets	12,077	11,623
Interest on lease liabilities	615	1,174
Expense relating to short-term leases	—	437
Total amount recognised in profit or loss	12,692	13,234

### (iv) The incremental borrowing rate applied to lease liabilities was 5.25% (2020: 5.25%).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 18. TRADE RECEIVABLES

	2021 HK\$'000	2020 HK\$'000
Trade receivables		
— contract with customers	<b>20,908</b>	15,923
Less: Allowance for credit losses	<b>(6,550)</b>	(4,024)
	<b>14,358</b>	11,899

As at 1st October 2019, trade receivables from contracts with customers, net of loss allowance, amounted to HK\$18,158,000.

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 loss allowance, is as follows:

	2021 HK\$'000	2020 HK\$'000
Within 30 days	<b>10,811</b>	6,756
31 to 60 days	—	49
61 to 90 days	<b>964</b>	1,755
91 to 180 days	<b>2,191</b>	2,924
181 days to 1 year	<b>273</b>	376
Over 1 year	<b>119</b>	39
	<b>14,358</b>	11,899



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 18. TRADE RECEIVABLES (Continued)

The movements in the lifetime ECL for trade receivables are as follows:

	2021 HK\$'000	2020 HK\$'000
At beginning of year	4,024	2,625
Impairment losses recognised	2,526	2,032
Amount written off as uncollectible	—	(633)
At end of year	6,550	4,024

## 19. CONTRACT ASSETS/CONTRACT LIABILITIES

	2021 HK\$'000	2020 HK\$'000 (Restated)
Contract assets	3,312	3,276
Less: allowance for credit losses	(3,019)	(2,986)
Contract assets, net	293	290
Contract liabilities	(8,263)	(6,675)
	(7,970)	(6,385)

### CONTRACT ASSETS

As at 1st October 2019, contract assets amounted to HK\$1,675,000 (restated).

Contract assets are initially recognised for revenue earned from the provision of financial printing services as the receipt of consideration is conditional on the Group's future performance. Upon the rights to consideration become unconditional, the amounts recognised as contract assets are reclassified to trade receivables. The increase in contract assets in 2021 and 2020 was the result of the increase in work completed but the rights to consideration are conditional at the end of the current year.

Typical payment terms which impact on the amount of contract assets recognised are as follows:

The Group's provision of financial printing service contracts include payment schedules which require stage payments over the service period once certain specified milestones are reached. The Group requires certain customers to provide upfront payment range from 10% to 20% of total contract sum as part of its credit risk management policies and this has resulted in a contract liability at early stage of the services.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 19. CONTRACT ASSETS/CONTRACT LIABILITIES (Continued)

### CONTRACT ASSETS (Continued)

The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

During the year ended 30th September 2021, HK\$33,000 (2020: HK\$1,597,000) was recognised as an allowance for ECL on contract assets. The Group's trading terms and credit policy with customers are disclosed in note 18 to the financial statements.

The movements in the lifetime ECL contract assets are as follows:

	2021 HK\$'000	2020 HK\$'000 (Restated)
At beginning of year	2,986	1,389
Impairment losses recognised	33	1,597
At end of year	3,019	2,986

### CONTRACT LIABILITIES

	2021 HK\$'000	2020 HK\$'000 (Restated)
Provision for financial printing services		
Billings in advance of performance	8,263	6,675

All contract liabilities are expected to be settled within the Group's normal operating cycle, and are classified as current liabilities.

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

When the Group receives an advance payment before the financial printing services commence, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the advance payment.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2021 HK\$'000	2020 HK\$'000
Prepayments	191	205
Rental and other deposits	3,489	3,485
Other receivables	128	475
	<b>3,808</b>	4,165

The financial assets included in the above balances related to receivables for which there were no recent history of default and past due amounts. As at 30th September 2021 and 2020, the loss allowance was assessed to be minimal.

## 21. CASH AND CASH EQUIVALENTS

	2021 HK\$'000	2020 HK\$'000
Cash and bank balances	33,882	37,809
Time deposits	32,026	31,848
Cash and cash equivalents	<b>65,908</b>	69,657

Cash at banks earns interest at floating rates based on daily bank deposit rates. The time deposits are made for periods of not more than 3 months, and earn interest at the respective short term time deposits rates.

## 22. TRADE PAYABLES

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

	2021 HK\$'000	2020 HK\$'000
Within 30 days	2,727	3,691
31 to 60 days	394	458
61 to 90 days	1,073	1,245
91 to 180 days	1,371	2,329
181 days to 1 year	677	988
Over 1 year	1,272	471
	<b>7,514</b>	9,182

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 23. ACCRUALS

	2021 HK\$'000	2020 HK\$'000
Accrued commission	1,270	810
Accrued auditor's remuneration	800	650
Accrued staff bonus	—	600
Others	630	952
	<b>2,700</b>	3,012

## 24. DEFERRED TAX

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

	2021 HK\$'000	2020 HK\$'000 (Restated)
Tax losses	8,162	4,957
Deductible temporary differences in respect of tax depreciation	2,528	2,412
	<b>10,690</b>	7,369

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 as it is not considered probable that taxable profits will be available against which the above items can be utilised.

## 25. SHARE CAPITAL

	Number of ordinary shares '000	Share capital HK\$'000
Authorised: Ordinary shares of HK\$0.01 each		
<b>At 1st October 2019, 30th September 2020 and 2021</b>	<b>5,000,000</b>	<b>50,000</b>
Issued and fully paid: At 1st October 2019, 30th September 2020 and 2021	1,000,000	10,000



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 26. RESERVES

### (I) SHARE PREMIUM

The share premium represents the excess of the proceeds received from the capitalisation issue and the initial public offering over the nominal value of the Company's shares issued.

### (II) CAPITAL RESERVE

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

### (III) MERGER RESERVE

The merger reserve represents the difference between the nominal value of new shares of the Company issued for the exchange of the issued shares of the subsidiary under a reorganisation and the carrying amount of its share of the subsidiary's own equity items.

## 27. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (A) MAJOR NON-CASH TRANSACTIONS

During the year, the Group recognised right-of-use assets and lease liabilities of HK\$52,000 (2020: HK\$2,857,000) and HK\$52,000 (2020: HK\$2,857,000), respectively, in respect of new lease arrangements for leased premises and office equipment.

### (B) CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities	
	2021 HK\$'000	2020 HK\$'000
At 1st October	17,260	25,575
Changes from financing cash flows	(12,911)	(12,346)
New leases entered	52	2,857
Interest expenses	615	1,174
At 30th September	5,016	17,260

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 28. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Name	Place of incorporation/ operation	Issued/ registered capital	Percentage of equity interest attributable to the Company		Principal activities
			2021	2020	
<b>Directly held:</b>					
Top Achiever Global Limited	British Virgin Islands ("BVI")	United States dollars ("US\$") 1	100%	100%	Investment holding
<b>Indirectly held:</b>					
High Strength Limited	BVI	US\$1,000	100%	100%	Investment holding
High Data Limited	BVI	US\$1,000	100%	100%	Investments holding
EDICO Financial Press Services Limited	Hong Kong ("HK")	HK\$11,080,000	100%	100%	Provision of financial printing services and investment holding
TOD Translation Services Limited	HK	HK\$10,000	100%	100%	Provision of translation services to the Group
Huge Alliance Limited	HK	HK\$500,000	100%	100%	Provision of management service to the Group
ORTUS Solutions Limited	HK	HK\$1	100%	100%	Inactive

## 29. CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 30th September 2021 and 2020.

## 30. RELATED PARTIES TRANSACTIONS

- The Group had no transactions with related parties during the years ended 30th September 2021 and 2020.
- Compensation of key management personnel of the Group.

The remuneration of directors and other members of key management during the year are set out in note 11 and 12 to the consolidated financial statements.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 31. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	2021 HK\$'000	2020 HK\$'000
<b>Financial assets</b>		
At amortised cost	83,883	85,516
<b>Financial liabilities</b>		
At amortised cost	10,214	12,194

## 32. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments were reasonably approximate to their fair values as at 30th September 2021 and 2020.

## 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise trade and other receivables, rental and other deposits, cash and bank balance, short-term bank deposits, trade payables, accruals and lease liabilities.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The directors of the Company review policies for managing and monitoring 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 and lease liabilities. 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.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### FOREIGN CURRENCY RISK

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

Since HK\$ is pegged to US\$ and bank balances denominated in other foreign currencies 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

The Group's credit risk is primarily attributable to trade receivables, contract assets, rental and other deposits, other receivables, and cash and bank balances and short-term bank deposits. The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge a contractual obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position at the end of each of the reporting period.

The credit risk for cash and bank balances and short-term bank deposits is considered limited as such amounts are placed in reputable banks with high credit rating assigned by international credit rating agencies.

For other receivables and deposits, the amount receivables are insignificant and the rental deposits are available for netting off its leases payment in case of default by the counterparties. The Group assessed the ECL for other receivables and deposits are insignificant.

In order to minimise the credit risk on trade receivables and contract assets, the management of the Group has delegated a team responsible for determination of credit limits and assessing credit quality of the customers. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. The credit quality of the debtors is assessed based on their financial position, past experience and other factors. The Group has policies in place to ensure credit terms are granted to reliable debtors. In addition, the Group performs impairment assessment at the end of each of the reporting period to ensure that adequate impairment losses are made on trade receivables (on a collective basis) and contract assets (on an individual basis). Impairment of HK\$2,559,000 (2020: HK\$3,629,000) is recognised during the year.

Details of the quantitative disclosures are set out below in this note.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### TRADE RECEIVABLES AND CONTRACT ASSETS

An impairment analysis is performed at each reporting date using a provision matrix within lifetime ECL. The provision rates for the measurement of lifetime ECL of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customers base. The provision rates of trade receivables are based on days past due of trade receivables. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than two years.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix.

#### *Trade receivables*

	Current	Past due					Total
		1–90 days	91–180 days	181–279 days	280–365 days	Over 1 year	
As at 30th September 2021							
Expected credit loss rate	6%	29%	37%	66%	77%	100%	
Gross carrying amount (HK\$'000)	11,507	4,131	476	339	920	3,535	20,908
Expected credit losses (HK\$'000)	695	1,212	175	225	708	3,535	6,550
As at 30th September 2020							
Expected credit loss rate	5%	14%	35%	60%	87%	100%	
Gross carrying amount (HK\$'000)	7,217	5,095	528	503	807	1,773	15,923
Expected credit losses (HK\$'000)	335	728	183	301	704	1,773	4,024

Changes in the loss allowance are mainly due to a number of debtors outstanding more than 1 year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### LIQUIDITY RISK

In the management of liquidity risk, the Group's policy is to regularly monitor current and expected liquidity requirements on the basis of the maturity of both its financial assets and liabilities and to ensure that it maintains sufficient reserves of cash.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on its remaining contractual undiscounted cash flows and the earliest date on which the Group can be required to pay, was as follows:

	2021 HK\$'000	2020 HK\$'000
Within 1 year		
Trade payables	7,514	9,182
Accruals	2,700	3,012
Lease liabilities	4,017	12,904
	14,231	25,098
More than 1 year but less than 2 years		
Lease liabilities	654	4,003
More than 2 years but less than 5 years		
Lease liabilities	516	1,129
	15,401	30,230

## 34. 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, share buy-backs 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 during the years ended 30th September 2021 and 2020.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 35. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2021 HK\$'000	2020 HK\$'000
<b>Non-current Asset</b>		
Investment in a subsidiary	—	—
<b>Current Assets</b>		
Prepayments	62	183
Amounts due from subsidiaries	42,872	42,507
Bank balances	4,893	5,436
	47,827	48,126
<b>Current Liability</b>		
Accruals	978	967
<b>Net Current Assets</b>	46,849	47,159
<b>Net Assets</b>	46,849	47,159
<b>Capital and Reserves</b>		
Share capital	10,000	10,000
Reserves	36,849	37,159
<b>Total Equity</b>	46,849	47,159

The Company's statement of financial position was approved and authorised for issue by the board of directors on 28th January 2022 and were signed on its behalf by:

**Mr. Chan Tsang Tieh**  
Director

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 35. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

Movement in the Company's reserves is as follows:

	Share premium HK\$'000 (Note 26(i))	Retained profits HK\$'000	Total HK\$'000
At 1st October 2019	36,735	485	37,220
Loss and total comprehensive expense for the year	—	(61)	(61)
At 30th September 2020	36,735	424	37,159
Loss and total comprehensive expense for the year	—	(310)	(310)
At 30th September 2021	<b>36,735</b>	<b>114</b>	<b>36,849</b>

## 36. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

## 37. EQUITY-SETTLED SHARE OPTION SCHEME OF THE COMPANY

The Company's share option scheme (the "**Scheme**") was adopted pursuant to a resolution passed on 16th January 2018 for the primary purpose of providing incentives to directors and eligible employees, and will expire in ten years.

Under the Scheme, the directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to adviser, consultant, service provider, agent, customer, partner or joint-venture partner or any person who, in the absolute discretion of the board of directors, has contributed or may contribute to the Group.

The total number of shares in respect of which options may be granted under the Scheme and any other share option schemes of the Group is not permitted to exceed 100,000,000 shares of the Company. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 37. EQUITY-SETTLED SHARE OPTION SCHEME OF THE COMPANY (Continued)

Options granted to substantial shareholders or independent non-executive directors or his/her/its associates (as defined in the Listing Rule), in excess of 0.1% of the Company's share capital and with a value in excess of HK\$5,000,000 based on the closing price of the shares of the Company at the date of grant, must be approved in advance by the Company's shareholders.

Options granted must be taken up within 21 days of the date of grant, upon payment of HK\$1 per option. Options may be exercised at any time during the period determined by the directors of the Company at the time of grant but no later than the 10 anniversary of the date of grant. The exercise price is determined by the directors of the Company, and will not be less than the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share on the date of grant.

There is no option granted since adoption of the Scheme.

# FINANCIAL SUMMARY

## RESULTS

	For the year ended 30th September				
	2021 HK\$'000	2020 HK\$'000 (Restated)	2019 HK\$'000 (Restated)	2018 HK\$'000	2017 HK\$'000
Revenue	<b>57,532</b>	81,971	62,929	90,611	84,155
Cost of services	<b>(27,944)</b>	(37,634)	(35,533)	(44,451)	(35,264)
Gross profit	<b>29,588</b>	44,337	27,396	46,160	48,891
Other income	<b>2,058</b>	2,619	843	226	47
Selling expenses	<b>(3,625)</b>	(2,690)	(4,045)	(4,351)	(3,861)
Administrative expenses	<b>(29,319)</b>	(31,953)	(34,223)	(34,736)	(31,511)
Finance costs	<b>(511)</b>	(1,051)	—	—	—
(Loss)/profit before tax	<b>(1,809)</b>	11,262	(10,029)	7,299	13,566
Income tax credit/(expense)	<b>80</b>	—	50	(2,562)	(3,350)
(Loss)/profit and total comprehensive (expense)/income for the year attributable to owners of the Company	<b>(1,729)</b>	11,262	(9,979)	4,737	10,216

	As at 30th September				
	2021 HK\$'000	2020 HK\$'000 (Restated)	2019 HK\$'000 (Restated)	2018 HK\$'000	2017 HK\$'000
<b>Assets and Liabilities</b>					
Total assets	<b>91,411</b>	105,776	100,374	104,042	55,346
Total liabilities	<b>23,493</b>	36,129	41,989	18,760	16,536
Total capital and reserves	<b>67,918</b>	69,647	58,385	85,282	38,810

The financial information for the years ended 30th September 2017 were extracted from the prospectus of the Company dated 23rd January 2018. Such summary was prepared as if the current structure of the Group had been in existence throughout these financial years.

The background is a solid lime green. It is decorated with several stylized stars and shooting stars. At the top, there are three shooting stars with long green trails: one purple, one orange, and one dark blue. Below them, there are various smaller stars in white, yellow, blue, red, and pink. Some are solid, some are outlines. The main text is centered in a bold, purple, sans-serif font.

# Hold the Vision, Trust the Process

8/F., Wheelock House, 20 Pedder Street, Central, Hong Kong  
香港中環畢打街 20 號會德豐大廈 8 樓

Website 網站 : <http://www.edico.com.hk>

# EDICO Holdings Limited 鉅京控股有限公司\*

(Incorporated in the Cayman Islands with limited liability  
於開曼群島註冊成立之有限公司)  
Stock code 股份代號: 8450

## Everything Matters

Annual Report 年報  
**2021/2022**



\* 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.



This year, we ask...

“What things that matter?”

# Cover Story

2021/2022

We need more Perspectives,  
more Purpose, more Partnership,  
more People, more Prospects,  
more diversity and more inclusion.

Taken together, we can learn more,  
work more and do quickly.

We can double-up attention, time,  
and effort.

Together, we can grow with time.

Now, we have everything that  
matters!





04	Corporate Information
06	Chairman's Statement
07	CEO's Message
09	Management Discussion and Analysis
18	Directors and Senior Management Profiles
22	Directors' Report
35	Corporate Governance Report
53	Independent Auditor's Report
59	Consolidated Statement of Profit or Loss and Other Comprehensive Income
60	Consolidated Statement of Financial Position
61	Consolidated Statement of Changes in Equity
62	Consolidated Statement of Cash Flows
63	Notes to the Consolidated Financial Statements
104	Financial Summary







Perspectives



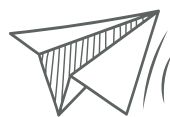
Purpose



Partnership



People



Prospect





# 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 (*Chairperson*)  
Mr. Wan Chun Wai Andrew  
Ms. Chan Chiu Yee Natalie

### REMUNERATION COMMITTEE

Mr. Wan Chun Wai Andrew (*Chairperson*)  
Mrs. Donati Chan Yi Mei Amy  
Ms. Chan Chiu Yee Natalie

### NOMINATION COMMITTEE

Ms. Chan Chiu Yee Natalie (*Chairperson*)  
Mr. Chan Tsang Tieh  
Mr. Wan Chun Wai Andrew

## COMPANY SECRETARY

Ms. Cheng Kwai Yee *FCCA*

## 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

PKF Hong Kong Limited  
26/F, Citicorp Centre  
18 Whitefield Road  
Causeway Bay  
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



## Corporate Information

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

8/F., Wheelock House  
20 Pedder Street  
Central  
Hong Kong

### 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

Union Registrars Limited  
Suites 3301-04, 33/F.  
Two Chinachem Exchange Square  
338 King's Road  
North Point  
Hong Kong

### LISTING INFORMATION

#### PLACE OF LISTING

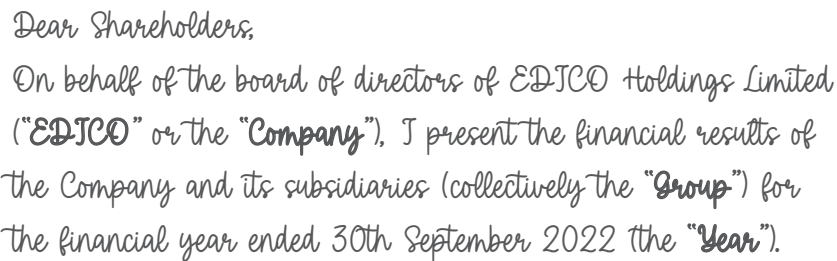
GEM of The Stock Exchange of Hong Kong Limited

#### STOCK CODE

8450

#### BOARD LOT

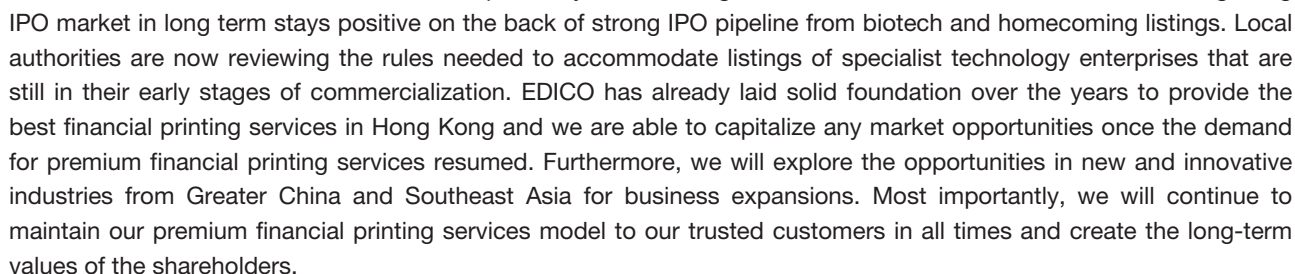
10,000 shares



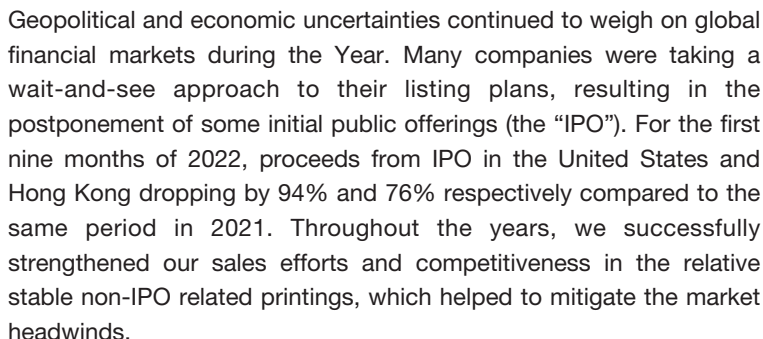
Once again, I would like to express my deepest gratitude to my fellow directors, the management team and all the staff for their diligence, perseverance and support during the Year.

*Chairman and Executive Director*  
Hong Kong, 15th December 2022



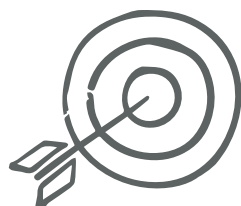


Hong Kong, 15th December 2022



This year, the cover story of the annual report is “Everything Matters”. EDICO cares all our stakeholders including customers, business partners, colleagues and the communities, and we pay special attention to all those things that matter to them. During the COVID-19 pandemic, we were doing all we could to protect the wellbeing of all stakeholders while keeping our operations fully functional. Meanwhile, we sharpen our focus on sustainability and increased responsibilities to care for our people, our society and our environment in the process of business development. We firmly believe that more diversity and inclusion can allow us growing with time.

Looking forward, uncertainties in the global macroeconomic environment are unlikely to subside soon. However, there is no need for pessimism. The duration of the COVID-19 outbreak remains unknown but Hong Kong is on the way of returning to normality, which will help the city to retain its global financial hub status. The outlook of Hong Kong



## 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 Company and its subsidiaries (collectively the “Group”) aims to constantly engage proactive thinking and look not just for short-term solutions, but more importantly, also for comprehensive and versatile strategies based on its core corporate values and facilitate through observation, vision for the long-term with an utmost attitude. Given our beliefs, EDICO strives to be a premium service provider in the financial market.

The Group focuses on operating 24/7 integrated pre- and post-printing services with customers mainly from financial and capital markets. We offer a wide range of comprehensive printing services, namely typesetting, proofreading, translation, design, printing and binding, distribution and media placement. The printed documents we produce cover a vast array of corporate financial-related printed materials, including:

- (i) Listing-related Documents;
- (ii) Periodical Reporting Documents;
- (iii) Compliance Documents; and
- (iv) Miscellaneous and Marketing Collaterals.

Set out below is the revenue attributable to each category of documents and their percentage to the total revenue we handled during the year ended 30 September 2022 (“Year 2022”) and year ended 30 September 2021 (“Year 2021”):

	2022		2021	
	HK\$'000	%	HK\$'000	%
Listing-related documents	7,012	15.4	14,207	24.7
Periodical reporting documents	23,514	51.8	25,352	44.1
Compliance documents	12,747	28.1	14,562	25.3
Miscellaneous and marketing collaterals	2,122	4.7	3,411	5.9
	45,395	100	57,532	100

For the Year 2021 and Year 2022, revenue attributable to the top five customers amounted to approximately 23.1% and 14.7% 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 Year 2021 and Year 2022, the Group subcontracted some of the translation works to independent translation companies and printing and binding works to independent printing factories and incurred approximately HK\$16.5 million and HK\$10.0 million of translation and printing subcontracting costs respectively, representing approximately 59.0% and 44.1% of our total cost of services respectively.

# Management Discussion and Analysis

## FINANCIAL REVIEW

The following table extracts certain major items of the consolidated financial information of the Group during the Year 2022:

	2022 HK\$'000	2021 HK\$'000
Revenue	45,395	57,532
Cost of services	(22,704)	(27,944)
Gross profit	22,691	29,588
Gross profit margin	50.0%	51.4%
Loss before tax	(5,032)	(1,809)
Loss for the year	(2,781)	(1,729)



## REVENUE

For the Year 2021 and Year 2022, the Group's revenue was approximately HK\$57.5 million and HK\$45.4 million respectively. The decrease was mainly attributable to the delays and terminations of certain projects during the Year 2022.

## 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 customers' catering costs. For the Year 2021 and Year 2022, cost of services amounted to approximately HK\$27.9 million and HK\$22.7 million respectively. The decrease in cost of services was generally in line with the decrease of the Group's revenue during the Year 2022.





# Management Discussion and Analysis

## GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's gross profit decreased by approximately HK\$6.9 million, or 23.3%, from approximately HK\$29.6 million for the Year 2021 to approximately HK\$22.7 million for the Year 2022. The decrease was in line with the decrease of the Group's revenue during the Year 2022. Gross profit margins for the Year 2021 and Year 2022 were approximately 51.4% and 50.0%, respectively.

## SELLING EXPENSES

The Group's selling expenses decreased by approximately HK\$0.3 million, or 8.3%, from approximately HK\$3.6 million for the Year 2021 to approximately HK\$3.3 million for the Year 2022. The decrease was mainly due to the decrease in marketing expenses and staff costs.

## ADMINISTRATIVE EXPENSES

The Group's administrative expenses decreased by approximately HK\$4.0 million, or 13.7%, from approximately HK\$29.3 million for the Year 2021 to approximately HK\$25.3 million for the Year 2022. The decrease was mainly due to the net effect of the decrease in impairment losses on trade receivables, professional fees and depreciation on right-of-use assets.

## FINANCE COSTS

The Group's finance costs represented interest on lease liabilities under Hong Kong Financial Reporting Standard 16.

## INCOME TAX CREDIT

There was no income tax expense for the Group for the Year 2021 and Year 2022 as the Company and its operating subsidiaries either had no assessable profits or had available tax losses brought forward from prior years (2021: HK\$Nil). The income tax credit in the Year 2022 represented over-provision in previous years and deferred tax.

## LOSS FOR THE YEAR

The Group recorded a net loss after tax of approximately HK\$2.8 million for the Year 2022 as compared with that of approximately HK\$1.7 million for Year 2021. The change was primarily due to the decrease of the Group's revenue during the Year 2022.



# Management Discussion and Analysis

---

## INTEREST COVERAGE RATIO

Interest coverage ratio was not applicable to the Group as the Group did not have any borrowings and therefore, had not incurred any interest expenses from borrowings during the respective years.

## RETURN ON TOTAL ASSETS

The negative return on total assets was approximately 1.9% and 2.6% for the Year 2021 and Year 2022, respectively.

## RETURN ON EQUITY

The negative return on equity was approximately 2.5% and 4.3% for the Year 2021 and Year 2022, respectively.

## DIVIDEND

The board of directors of the Company (the “**Directors**” and the “**Board**”, respectively) has resolved not to recommend the payment of a final dividend in respect of the Year 2022 (2021: Nil).



# 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 as below:

Objective	KPIs	Strategies
Maximise value for the shareholders	<p>Gross profit margin<sup>(1)</sup> = 50.0% (2021: 51.4%)</p> <p>Return on total assets<sup>(2)</sup> = (2.6%) (2021: (1.9%))</p> <p>Return on equity<sup>(3)</sup> = (4.3%) (2021: (2.5%))</p>	The Group has implemented effective cost control measures, pricing arrangement and capital expenditure.
Maintain the Group’s liquidity and monitor capital structure	<p>Cash and cash equivalents and fixed deposits = approximately HK\$68.5 million (2021: approximately HK\$65.9 million)</p> <p>Current ratio<sup>(4)</sup> = 2.9 times (2021: 3.8 times)</p> <p>Gearing ratio<sup>(5)</sup> = N/A (2021: N/A)</p> <p>Net debt to equity ratio<sup>(6)</sup> = Net cash position (2021: Net cash position)</p>	The Group adopts a prudent financial management policy to regularly monitor its liquidity requirements and 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.

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 loss 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 loss 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 denominated in HK\$, except for certain trade receivables which were denominated in United States dollars ("USD") and cash on hand and bank deposits which were denominated in USD, 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 2022. 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

Our Group generally do not enter into long-term agreements with our customers and may not be able to retain existing customers or secure new customers. We engage our subcontractors on a project-by-project basis for some of our translation works and printing works to our subcontractors and their failure to meet our requirements may affect the quality of our services. However, 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.

## 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 shareholders.

As at 30th September 2022, the Group had cash and cash equivalents and fixed deposits of approximately HK\$68.5 million (2021: HK\$65.9 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 net proceeds from the listing of the shares of the Company (the "Shares") in issue on GEM of the Stock Exchange (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 30th September 2022, the Group's current assets amounted to approximately HK\$84.7 million (2021: HK\$84.4 million) and current liabilities amounted to approximately HK\$29.6 million (2021: HK\$22.4 million). Current ratio was 2.9 times as at 30th September 2022 (2021: 3.8 times (restated)).

The gearing ratio was not applicable to the Group as at 30th September 2021 and 2022 as the Group did not have any outstanding debt.



# Management Discussion and Analysis

## CAPITAL STRUCTURE

There was no change in the Company's capital structure during the Year 2022. Considering the current financial position of the Group and provided that there is no unforeseeable adverse 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

The Group had no acquisitions and disposals of subsidiaries, associates or joint ventures for the Year 2022.

## SEGMENTAL INFORMATION

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

## NUMBER AND REMUNERATION OF EMPLOYEES, REMUNERATION POLICIES, BONUS AND SHARE OPTION SCHEMES AS WELL AS TRAINING SCHEMES

As at 30th September 2022, the Group had 66 (2021: 66) 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\$2.3 million (2021: HK\$2.3 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\$22.9 million (2021: HK\$21.3 million).

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

The Company has adopted a share option scheme to reward the eligible participants for their contribution to the Group. The Group also provides continuous trainings to the employees to improve their skills and develop their potential. It provides mandatory trainings to the new staff based on the tasks they perform in the course of its 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 THE GROUP'S ASSETS

As at 30th September 2022 and 2021, the Group did not have any loans and banking facility and therefore, no asset had been pledged to any parties.

# Management Discussion and Analysis

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS AND THE EXPECTED SOURCES OF FUNDING

The Group did not have any significant investments or any other plans for material investments or capital assets as at 30th September 2022.

## CONTINGENT LIABILITIES

As at 30th September 2022 and 2021, the Group had no significant contingent liabilities.

## USE OF NET PROCEEDS FROM THE LISTING

On 2nd February 2018 (the “**Listing Date**”), 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 were issued at HK\$0.22 per Share in relation to its Share Offer (as defined in the prospectus of the Company dated 23rd January 2018 (the “**Prospectus**”). The net proceeds received from the Listing, after deducting the underwriting commission and all related Listing expenses (the “**Net Proceeds**”) were amounted to approximately HK\$28.7 million.

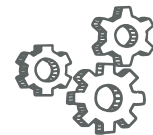
The table below sets out the planned applications of the Net Proceeds and the actual usage during the Year 2022:

Intended application of the Net Proceeds	Total expenditure of the planned applications (Note 1) (HK\$ million)	Planned use of the Net Proceeds (Note 2) (HK\$ million)	Actual usage from the Listing Date and up to 30th September 2021 (HK\$ million)	Actual usage for the Year (HK\$ million)	Unutilised Net Proceeds as at 30th September 2022 (HK\$ million)	Expected timeline to fully utilise the unutilised Net Proceeds (Note 4)
Upgrading the Central Office (Note 3) and setting up a new office	18.6	13.9	4.9	0.9	8.1	N/A (Note 4)
Expanding the workforce	10.0	7.5	7.5	—	—	30th September 2021
Upgrading and acquiring equipment and software	6.0	4.5	2.3	0.2	2.0	N/A (Note 4)

Notes:

- (1) Refers to the future plans as stated in the Prospectus.
- (2) Refers to the planned use of the Net Proceeds as stated in the Prospectus.
- (3) Central Office represents the Group’s headquarters and principal place of business located at 8/F., Wheelock House, 20 Pedder Street, Central, Hong Kong.
- (4) The Group has resolved to change the use of the unutilised net proceeds to general working capital.

As at the date of this annual report, the unutilised Net Proceeds were deposited in a licensed bank in Hong Kong and the Directors has resolved to change the use of the unutilised Net Proceeds to general working capital and general operating purpose for more efficient use of the resources, as detailed in the Company’s announcement dated 15th December 2022.



## Management Discussion and Analysis

### 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 2022.

#### Business objectives as set out in the Prospectus

#### Actual progress for the Year 2022

— Upgrading the Central Office and setting up a new office <sup>(Note)</sup>	The renovation work of the Central Office had been completed by the end of December 2018 and a new office was relocated to a more spacious office located in New Kowloon Plaza, Hong Kong by the end of August 2020.
— Expanding the workforce <sup>(Note)</sup>	The Group has recruited additional staff to join the sales, services and operations departments.
— Upgrading and acquiring equipment and software <sup>(Note)</sup>	The Group has upgraded its computer, email system and existing server configuration, and acquired conference rooms' facilities for serving its customers.



# Directors and Senior Management Profiles

## DIRECTORS

### Mr. Chan Tsang Tieh (陳增鈺)

*Executive Director and Chairman*



**Mr. Chan**, aged 72, is the chairman of the board of directors of the Company (the “**Directors**”, the “**Board**” and the “**Chairman**”, respectively) and an executive Director, responsible for providing strategic advice to our Company and its subsidiaries (the “**Group**”). Mr. Chan was appointed as a Director on 20th May 2016 and was re-designated as an executive Director and appointed as the Chairman on 22nd June 2017. Mr. Chan is also a member of the nomination committee of the Board (the “**Nomination Committee**”) and the sole 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 100%-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**”). During the period from 1986 to 2004, 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. 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 (陳綺媚)

*Executive Director and Chief Executive Officer*



**Mrs. Donati**, aged 48, 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 Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and other relevant laws and regulations. Mrs. Donati is also a member of the remuneration committee of the Board. She was appointed as an executive Director on 22nd June 2017 and as the Chief Executive Officer on 30th June 2017. She joined our Group on 1st 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 over 2 decades 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 Donnelley Financial Solutions Hong Kong Limited (formerly known as 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 (LLB) and a Bachelor of Business Administration in July 1996.





## Directors and Senior Management Profiles

### Mr. Li Wai Ming (李威明)

*Independent Non-executive Director*



**Mr. Li**, aged 52, was appointed as an independent non-executive Director (the “**INED**”) on 15th November 2017. He is primarily responsible for supervising and providing independent judgment to the Board. Mr. Li is also the chairperson of each of our Board’s audit committee (the “**Audit Committee**”) and risk management committee (the “**Risk Management Committee**”).

Mr. Li has about 20 years of experience in the finance industry. From March 1997 to March 1999, Mr. Li worked in leading accounting firms. He held the position of senior finance manager in a company listed on the Stock Exchange before his retirement. Mr. Li also served as an independent non-executive director of China International Development Corporation 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 Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators) in the UK, a member of The Hong Kong Institute of Chartered Secretaries. Mr. Li obtained his master of professional accounting degree in November 2004 from the Hong Kong Polytechnic University.

### Mr. Wan Chun Wai Andrew (尹振偉)

*Independent Non-executive Director*



**Mr. Wan**, aged 67, was appointed as an INED on 15th November 2017. He is primarily responsible for supervising and providing independent judgment to the Board. Mr. Wan is also the chairperson of our Board’s remuneration committee (the “**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 a School Manager of a kindergarten.

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 degree from the University of South Australia in October 2009.

## Directors and Senior Management Profiles

### Ms. Chan Chiu Yee Natalie (曾昭怡)

*Independent Non-executive Director*



**Ms. Chan**, aged 36, was appointed as an INED on 15th November 2017. She is primarily responsible for supervising and providing independent judgment to the Board. Ms. Chan is also the chairperson of our Nomination Committee and a member of each of our Audit Committee, Remuneration Committee and Risk Management Committee.

Ms. Chan has over 10 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 degree from Bentley University in the United States in May 2008 as well as her juris doctor degree in December 2010 and her postgraduate certificate in laws in July 2011, both from the Chinese University of Hong Kong.

## COMPANY SECRETARY

### Ms. Cheng Kwai Yee (鄭桂儀)

*Chief Financial Officer and Company Secretary*



**Ms. Cheng**, aged 46, is the company secretary and the Chief Financial Officer of our Company. Ms. Cheng joined the Group in April 2010 and is responsible for overseeing the Group's 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, an educational software service company, from March 2008 to March 2010 mainly responsible for handling accounting matters. 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. 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 degree from the Hong Kong Baptist University in December 1998.



## Directors and Senior Management Profiles

### SENIOR MANAGEMENT

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

#### **Ms. Cheng Kwai Yee (鄭桂儀)**

*Chief Financial Officer and Company Secretary*



**Ms. Cheng Kwai Yee (鄭桂儀)** is the company secretary and the Chief Financial Officer of our Company.

For the biography of Ms. Cheng, please see the subsection headed "Senior Management" above.

#### **Ms. Lok Yuen Yu Izabel (駱婉如)**

*Chief Operations Officer*



**Ms. Lok**, aged 50, 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 18 years of experience in the financial printing industry. Ms. Lok was an account servicing director of iOne (Regional) Financial Press Limited from November 2005 to December 2009, mainly responsible for customer services. She served as a customer service executive in Donnelley Financial Solutions Hong Kong Limited (formerly known as Roman Financial Press Limited) 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. Lee Shuk Yee (李淑儀)**

*Sales Director*



**Ms. Lee**, aged 56, 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. 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. She served as an account director in The Design Associates Limited between September 2002 and April 2011, and was primarily responsible for managing customer relationship.

Ms. Lee graduated from the Hong Kong Shue Yan College (currently known as the Hong Kong Shue Yan University) with a diploma from the Department of Journalism in July 1990. In addition, Ms. Lee 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' 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 30th September 2022 (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 28 to the Consolidated Financial Statements of this annual report.

## BUSINESS REVIEW

Further discussion and analysis of the performance of the Group, including a fair review of the business of the Group, an analysis using financial key performance indicators, a discussion of the principal risks and uncertainties faced by the Group and an indication of likely future developments in the Group’s business, can be found in the sections headed “Chairman’s Statement”, “CEO’s Message” and “Management Discussion and Analysis” of this annual report. The financial risk management objectives and policies of the Group are set out in note 33 to the Consolidated Financial Statements of this annual report. Those discussions form part of this report.

## ENVIRONMENTAL POLICIES AND PERFORMANCE

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.

## COMPLIANCE WITH LAWS AND REGULATIONS

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 that have a significant impact on the Group.

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.



# Directors' Report

## RELATIONSHIP WITH STAKEHOLDERS

The Group recognises that employees, customers and business partners are key 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 by providing orientation training for new employees and on-the-job training and organising team building events.

The Group also organises 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. It does not foresee any difficulty in procurement nor has it 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 30th September 2022 and up to the date of this report.

## USE OF NET PROCEEDS FROM LISTING

The shares of the Company (the “**Shares**”) in issue were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**” and the “**Listing**”, respectively) on 2nd February 2018 (the “**Listing Date**”). The net proceeds from the Listing amounted to approximately HK\$28.7 million. Details of the use of such proceeds are set out in the section headed “Management Discussion and Analysis” of this annual 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 59 of this annual report.

## FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for each of the last five financial years is set out on page 104 of this annual report.

# Directors' Report

## DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the Year.

## ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company is scheduled to be held on 22nd February 2023 (the “**2023 AGM**”). For the purpose of determining those shareholders of the Company (the “**Shareholders**”) who are entitled to attend and vote at the 2023 AGM, the register of members of the Company will be closed from 16th February 2023 to 22nd February 2023 (both days inclusive), during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the 2023 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, Union Registrars Limited, Suites 3301–04, 33/F, Two Chinachem Exchange Square 338 King’s Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on 15th February 2023.

## 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 are set out in note 25 to the Consolidated Financial Statements of this annual report.

## RESERVES

Details of the movements in the reserves of the Group and the Company during the Year are set out in page 61 and page 102 of this annual report, respectively.

## DISTRIBUTABLE RESERVES

As at 30th September 2022, the Company’s reserves available for distribution, calculated in accordance with the provisions of Companies Law of the Cayman Islands, amounted to approximately HK\$36.8 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**”) or 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 Year, 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 are:

### EXECUTIVE DIRECTORS

Mr. Chan Tsang Tieh (*Chairman*)

Mrs. Donati Chan Yi Mei Amy (*Chief Executive Officer*)

### INDEPENDENT NON-EXECUTIVE DIRECTORS (THE “INEDS”)

Mr. Li Wai Ming

Mr. Wan Chun Wai Andrew

Ms. Chan Chiu Yee Natalie

In accordance with article 84(1) of the Articles of Association, Mr. Li Wai Ming and Mr. Wan Chun Wai Andrew shall retire at the 2023 AGM and, being eligible, offered themselves for re-election.

The Company has received annual confirmation in writing 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 (the “**GEM Listing Rules**”). 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.

Information regarding Directors' emoluments and the five highest paid individuals in the Group are set out in notes 11 and 12 to the Consolidated Financial Statements of this annual report, respectively.

### 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 of the Company, has entered into a letter of appointment with the Company on 16th January 2018 for an initial term of three years commencing on the Listing Date and were automatically renewed upon their expiry on 16th January 2021 for another three years, 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 for a term of three years unless terminated by at least three months' notice in writing served by either party on the other.

None of the Directors proposed for re-election at the 2023 AGM has an unexpired 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 that (i) will or may result in the Company issuing Shares or (ii) require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Group during the Year or existed as at 30th September 2022.

### ARRANGEMENTS FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Year or as at 30th September 2022 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 30th September 2022, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

#### LONG POSITION IN THE SHARES

Name of Director	Capacity	Nature of interests	Number of Shares held	Percentage of interest in the Company
Mr. Chan Tsang Tieh (“Mr. Chan”) (Note)	Interest in a controlled corporation	Corporate interest	560,000,000	56.0%

Note: The Company is owned as to 56% 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 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 September 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.

## Directors' Report

### INTERESTS OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

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

#### LONG POSITION IN THE SHARES

Name of Shareholder	Capacity	Nature of interests	Number of Shares held	Percentage of interest in the Company
Achiever Choice (Note)	Beneficial owner	Personal interest	560,000,000	56.0%
Yuen Sin Yee Claudia	Beneficial owner	Personal interest	192,200,000	19.2%

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 September 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 (the “**Share Option Scheme**”) was approved and conditionally adopted by the then sole shareholder of the Company by way of written resolutions on 16th January 2018. The Share Option Scheme became effective on the Listing Date.

As no options have been granted by the Company under the Share Option Scheme since its adoption, there was no option outstanding as at 30th September 2022 and no options were exercised or cancelled or lapsed during the Year.

The principal terms of the Share Option Scheme are set out as follows:

#### (1) PURPOSE

The purpose of the Share Option Scheme is to enable the Company to grant options to eligible participants (as stated below) as incentive or reward for their contribution to the Group to subscribe for the Shares, thereby linking their interest with that of the Group.



## Directors' Report

### (2) ELIGIBLE PARTICIPANTS

The eligible participants include employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner of the Company or any subsidiary (including any director of the Company or any subsidiary) who is in full-time or part-time employment with or otherwise engaged by the Company or any subsidiary at the time when an option is granted to such employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner or any person who, in the absolute discretion of the Board, has contributed or may contribute to the Group.

### (3) MAXIMUM NUMBER OF SHARES AVAILABLE FOR ISSUE

The maximum number of Shares in respect of which options may be granted at any time under the Share Option Scheme shall not exceed 100,000,000 Shares.

### (4) MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

Unless approved by the Shareholders in general meeting and subject to the following paragraph, the total number of Shares issued and to be issued upon exercise of the options granted to each grantee (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue.

Where any grant of options to a substantial Shareholder or an INED, or any of his/her/its associates (as defined in the GEM Listing Rules), would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares on the Stock Exchange at the date of each grant, in excess of HK\$5 million,

such further grant of options must be approved by the Shareholders.

### (5) PERIOD WITHIN WHICH THE SHARES MUST BE TAKEN UP UNDER AN OPTION

An option may be exercised at any time during the period to be determined and identified by the Board to each grantee at the time of making an offer for the grant of an option, but in any event no later than 10 years from the date of grant but subject to the early termination of the Share Option Scheme.

### (6) MINIMUM PERIOD FOR WHICH AN OPTION MUST BE HELD BEFORE IT CAN BE EXERCISED

Though there is no specified minimum period under the Share Option Scheme for which an option must be held or the performance target which must be achieved before an option can be exercised under the terms and conditions of the Share Option Scheme, the Directors may make such grant of options, subject to such terms and conditions in relation to the minimum period of such options to be held and/or the performance targets to be achieved as the Directors may determine in their absolute discretion.

## Directors' Report

### (7) PERIOD FOR AND CONSIDERATION PAYABLE ON ACCEPTANCE OF AN OPTION

An offer shall be deemed to have been accepted by an eligible participant concerned in respect of all Shares which are offered to such eligible participant when the duplicate letter comprising acceptance of the offer duly signed by the eligible participant, together with a non-refundable remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the offer (which shall not be later than 21 days from, and inclusive of, the date of offer).

### (8) BASIS OF DETERMINING THE EXERCISE PRICE

The subscription price for Shares under the Share Option Scheme shall be determined at the discretion of the Directors but in any event will not be less than the highest of: (a) the closing price of the Shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the offer date of the particular option, which must be a business day; (b) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the offer date of that particular option; and (c) the nominal value of a Share on the offer date of the particular option.

### (9) REMAINING LIFE

The Share Option Scheme shall be valid and effective commencing on the adoption date of the Share Option Scheme until the termination date as provided therein (which being the close of business of the Company on the date which falls ten years from the date of the adoption of the Share Option Scheme), after which period no further options will be granted but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

## 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.

## 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 (a) any business or interest in a business that competed or might compete with the business of the Group and (b) any other conflicts of interest 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 14.7% of the total revenue of the Group for the Year (2021: approximately 23.1%) and the Group's largest customer accounted for approximately 3.8% of the total revenue of the Group for the Year (2021: approximately 6.6%).

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 collectively accounted for approximately 23.4% of the total cost of services of the Group for the Year (2021: approximately 33.5%) and the Group's largest supplier accounted for approximately 5.8% of the total cost of services of the Group for the Year (2021: approximately 8.7%).

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 30th September 2022 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 (as defined in the GEM Listing Rules) 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 16th 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 of the Company dated 23rd January 2018. The audit committee of the Board (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 30th September 2022 or at any time during the Year.

## CHANGE IN DIRECTORS' INFORMATION

The Company is not aware of any change in the Directors' information, which is required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

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

## PERMITTED INDEMNITY

The Articles of Association provide that the Directors shall 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 which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices. Such provisions were in force during the course of the Year and remained in force as of the date of this report.

## MANAGEMENT CONTRACTS

No contracts, other than employment contracts of the Directors and senior management members, 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' remuneration is determined by the Board upon the recommendation of its remuneration committee 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, 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.



## Directors' Report

### DONATIONS

During the Year, no charitable donations were made by the Group (2021: HK\$5,700.00).

### 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 Year 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 Year.

Details of the principal corporate governance practices of the Group are set out in the section headed "Corporate Governance Report" on pages 35 to 51 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 18 of this annual report. The company secretary of the Company is Ms. Cheng Kwai Yee (who is also the Company's Chief Financial Officer). Her biographical details is set out on page 20 of this annual report.

### REVIEW BY AUDIT COMMITTEE

The audited consolidated financial statements of the Group for the Year and this annual report have been reviewed by the Audit Committee.

## INDEPENDENT AUDITOR

The consolidated financial statements of the Group for the year have been audited by PKF Hong Kong Limited ("**PKF**") who was appointed as the auditor of the Company with effect from 14th December 2021 to fill the casual vacancy following the resignation of Martin C.K. Pong & Company.

PKF will retire as the independent auditor of the Company and, being eligible, offer themselves for re-appointment at the forthcoming 2023 AGM. A resolution for their re-appointment will be proposed at the forthcoming 2023 AGM.

On behalf of the Board

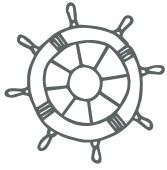
**Chan Tsang Tieh**

*Chairman and Executive Director*

Hong Kong, 15th December 2022







# Corporate Governance Report

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

The Company has complied with all applicable code provisions as set out in the Corporate Governance Code as contained in Appendix 15 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”, the “**GEM Listing Rules**” and the “**CG Code**”, respectively) during the year ended 30th September 2022 (the “**Year**”), except the following:

Pursuant to Rules 18.49 and 18.48A of the GEM Listing Rules, the Company is required to publish its annual results for the year ended 30th September and dispatch its annual report for the year ended 30th September to the shareholders of the Company (the “**Shareholders**”) not later than three months after the end of the financial year (i.e. on or before 31st December). The Company had delayed the publication of its annual results for the year ended 30th September 2021 and the dispatch of the annual report for the year ended 30th September 2021. It was due to the resignation of Martin C.K. Pong & Company, the then auditor of the Company on 9th December 2021, and the appointment of PKF Hong Kong Limited as new auditor of the Company on 14th December 2021 who required more time for the audit of the consolidated financial statements for the year ended 30th September 2021.

## SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings in the securities as contained 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. 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 Year.

# Corporate Governance Report

## 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 (the “**Management**”) 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.

### COMPOSITION

The Company is committed to holding the view that the Board should include a balanced composition of executive Directors and 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*)

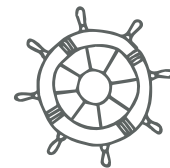
### INEDS

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.



## Corporate Governance Report

There was no financial, business, family or other material relationship among the Directors during the Year 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 Year, the Company had three INEDs, and has met the requirements of the GEM Listing Rules and that one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise.

The Company has received an annual confirmation of independence in writing from each of the INEDs pursuant to Rule 5.09 of the GEM Listing Rules. 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.

During the Year, the chairman of the Board (the “**Chairman**”), being an executive Director, had held a meeting with the INEDs without the presence of the other executive Director.

### 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.

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 are summarised as follows:

Name of Directors	Type of trainings
Mr. Chan Tsang Tieh	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

# Corporate Governance Report

## MEETINGS OF THE BOARD AND DIRECTORS' ATTENDANCE RECORDS

The Board is scheduled to meet at least 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 thereof is open for the Directors' inspection.

During the Year, four regular Board meetings were held and, amongst other matters, considered and approved the audited consolidated financial statements of the Group for the year ended 30th September 2021 (the “**Year 2021**”) as well as the unaudited condensed consolidated financial statements of the Group for the three months ended 31st December 2021, for the six months ended 31st March 2022 and for the nine months ended 30th June 2022, respectively.

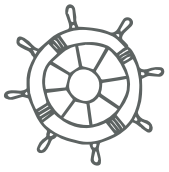
The attendance of each Director at the Board meetings during the Year is as follows:

Name of Directors	No. of Attendance/ No. of Meetings
Mr. Chan Tsang Tieh	1/4
Mrs. Donati Chan Yi Mei Amy	4/4
Mr. Li Wai Ming	4/4
Mr. Wan Chun Wai Andrew	4/4
Ms. Chan Chiu Yee Natalie	4/4

During the Year, the Company held an annual general meeting (the “**AGM**”) of the Shareholders on 15th March 2022 (the “**2022 AGM**”) and was attended by all Directors in person or through video conferencing. Mrs. Donati Chan Yi Mei Amy, an executive Director and the chief executive officer of the Company (the “**CEO**”), took the chair of the 2022 AGM in accordance with the Articles of Association to ensure an effective communication with the Shareholders.

## BOARD DIVERSITY POLICY

The Board has adopted a policy of the Board diversity and discussed all measurable objectives set for implementing the same.



# Corporate Governance Report

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 Year 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 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.

### AUDIT COMMITTEE

The Audit Committee was established on 16th January 2018 with written terms of reference in compliance with the CG Code. Such terms of reference were amended on 28th December 2018. 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 chairperson of the Audit Committee.

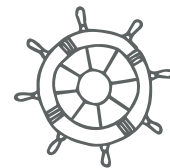
The principal roles and functions of the Audit Committee include but are not limited to:

- 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;

## Corporate Governance Report

- 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 the Management); and reviewing the draft management letter, any material queries raised by the auditor to the Management in respect of the accounting records, financial accounts or systems of control including the 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 review performed by the Board, ensuring coordination between the Board and external auditors and ensuring that the Board 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 the Management the scope and quality of systems of risk management and internal control and ensuring that the 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 the 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.

During the Year, five Audit Committee meetings were held and the Audit Committee, amongst other matters, considered, reviewed and approved (i) for presentation to the Board for consideration and approval of (a) the draft audited consolidated financial statements of the Group for the Year 2021, unaudited condensed consolidated financial statements of the Group for the three months ended 31st December 2021, for the six months ended 31st March 2022 and for the nine months ended 30th June 2022, respectively; (b) the appointment of PKF Hong Kong Limited as auditor of the Company to fill the casual vacancy following the resignation of Martin C.K. Pong & Company; (c) the re-appointment of the auditor at the 2022 AGM; and (ii) audit-related matters.



## Corporate Governance Report

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

Name of Directors	No. of Attendance/ No. of Meetings
Mr. Li Wai Ming	5/5
Mr. Wan Chun Wai Andrew	5/5
Ms. Chan Chiu Yee Natalie	5/5

### REMUNERATION COMMITTEE

The Remuneration Committee was established on 16th January 2018 with written terms of reference in compliance with the CG Code. Such terms of reference were amended on 5th February 2020. 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 chairperson 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 as well as employment conditions, responsibilities and individual performance of the Directors, senior management and the general staff of the Group. 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 on the policy and structure for the remuneration of the Directors and senior management of the Company (the “**Senior Management**”) formal and transparent procedure for developing a remuneration policy;
- making recommendations to the Board on the remuneration packages of individual executive Directors and the Senior Management, including benefits in kind, pension rights, compensation payments (including compensation payable for the loss or termination of office or appointment etc.) if considered appropriate;
- making recommendations to the Board on the remuneration of non-executive Directors (including the INEDs);
- considering salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;
- reviewing and approving the compensation payable to executive Directors and the Senior Management for any loss or termination of the office or appointment to ensure that it is consistent with the contractual terms and is otherwise fair and not excessive;

# Corporate Governance Report

- reviewing and approving compensation arrangements relating to the dismissal or removal of Directors for misconduct to ensure that they are consistent with the contractual terms and are otherwise reasonable and appropriate;
- ensuring that no Director or member of the Senior Management or any of their respective associates (as defined in the GEM Listing Rules) is involved in deciding his/her own remuneration;
- 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 Year, one Remuneration Committee meeting was held, which, amongst other matters, determined the remuneration of the Directors and the Senior Management 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 Year is as follows:

Name of Directors	No. of Attendance/ No. of Meetings
Mr. Wan Chun Wai Andrew	1/1
Mrs. Donati Chan Yi Mei Amy	1/1
Ms. Chan Chiu Yee Natalie	1/1

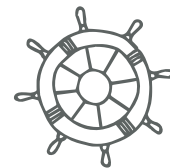
## NOMINATION COMMITTEE

The Nomination Committee was established on 16th 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 chairperson 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;
- identifying and nominating appropriate candidates to fill casual vacancies of the Directors for the Board's approval;





## Corporate Governance Report

- 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, 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 Year, one Nomination Committee meeting was held, which, 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 2022 AGM.

The attendance of each Director in the capacity of a member of the Nomination Committee at the meeting during the Year 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

The Company has adopted a nomination policy with the following details:

### Objective

The Nomination Committee shall nominate suitable candidates to the Board to consider and make recommendations to Shareholders for election as a Director at general meeting or appoint as a Director to fill casual vacancy.

### Selection Criteria

The factors listed below would be considered by the Nomination Committee in assessing the proposed candidate:

- Reputation
- Experience in the industry
- Commitment in respect of available time and interest
- Diversity, including but not limited to gender, age (18 years or above), cultural, educational background, professional experience.

The above factors are for reference only; the Nomination Committee has the discretion to nominate any person, as it considers appropriate.

Proposed candidates will need to submit the necessary personal information, together with the written consent to be appointed as a Director.

The Nomination Committee may request candidates to provide additional information and documents, if necessary.

# Corporate Governance Report

## ***Nomination Procedures***

The Nomination Committee shall make recommendations for the Board's consideration and approval. The nominated persons shall not assume that they have been proposed by the Board for election not until the issue of the shareholder circular.

A circular, with the information of the candidates nominated by the Board and invitation of nominations from Shareholders, will then be sent to Shareholders.

The circular will set out the period for Shareholders to make the nominations. The names, independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations, of the proposed candidates will be included in the circular to Shareholders.

Shareholders can serve a notice to the Company Secretary within the period of his/her/its intention to propose a resolution to elect a certain person as a Director, without the Board's recommendation or the Nomination Committee's nomination, other than those candidates set out in the shareholder circular. The particulars of the candidates so proposed will be sent to all Shareholders for information by a supplementary circular.

A candidate is allowed to withdraw his/her candidature at any time before the general meeting at which his/her proposed directorship will be considered by the Shareholders, by serving a written notice to the Company Secretary.

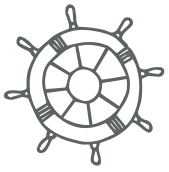
The Board shall have the final decision on all matters relating to its recommendation of candidates.

## **RISK MANAGEMENT COMMITTEE**

The Risk Management Committee was established on 16th 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 chairperson 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;



## Corporate Governance Report

- 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.

During the Year, one Risk Management Committee meeting was held, which, amongst other matters, reviewed the risk management and internal control systems 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 Year 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 A.2.1 of the CG Code, which include:

- developing and reviewing the Company's policies and practices on corporate governance;
- reviewing and monitoring the training and CPD 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

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

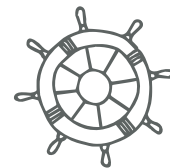
Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Shareholders after his/her appointment and shall be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office 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" of this annual report for the Year by band is set out below:

Remuneration band (in HK\$)	Number of individuals
Nil to 1,000,000	4



## Corporate Governance Report

### INDEPENDENT AUDITOR'S REMUNERATION

For the Year, PKF Hong Kong Limited ("PKF") was engaged as the independent auditor of the Company.

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

Services	Fee paid/payable HK\$'000
Audit services — Annual audit	800
Total	800

### 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.

### 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.

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 systems 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

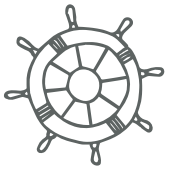
The Group acknowledges its responsibilities under the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong and the GEM Listing Rules and the overriding principle that inside information should be announced promptly when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirements 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;
- 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 Company Secretary are authorised to communicate with parties outside the Group.

## COMPANY SECRETARY

Company Secretary supports the Board by ensuring good information flow within the Board and that the Board policy and procedures are followed. The Company Secretary is responsible for advising the Board on corporate governance matters and facilitating induction and professional development of the Directors. All Directors have access to the advice and services of the Company Secretary to ensure that the Board procedures and all applicable laws, rules and regulations are followed.

Ms. Cheng Kwai Yee (“**Ms. Cheng**”) is the Company Secretary of the Company under the GEM Listing Rules. She meets the qualification requirements for company secretary under Rule 5.14 of the GEM Listing Rules and has taken no less than 15 hours of relevant professional training during the Year pursuant to Rule 5.15 of the GEM Listing Rules.



# Corporate Governance Report

## 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

Pursuant to the Articles of Association, 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 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 two 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.

# Corporate Governance Report

## 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, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square 338 King's 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 chairperson of the appropriate committee; and
3. ordinary business matters, such as suggestions, enquiries and client complaints to the appropriate management of the Company.

## DIVIDEND POLICY

The Board has approved and modified the dividend policy to provide Shareholders with regular dividends (the "**Dividend Policy**"). The Company endeavors to deliver sustainable expectation to the Shareholders and to maintain a prudent capital management.

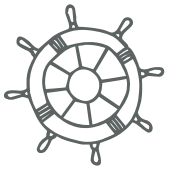
Under the Dividend Policy, the Board shall take into account the following factors:

- the Company's actual and expected financial performance;
- the retained earnings and distributable reserves of the Company and each of the members of the Group;
- the level of the Group's debts to equity ratio and the return on equity ratio;
- the Group's expected working capital requirements and future expansion plans;
- general economic conditions, business cycle of the Group's business and other internal and external factors that may have impact on the business or financial performance and position of the Company; and
- any other factors that the Board consider appropriate.

The Board will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividend and/or in no way obligate the Company to declare a dividend at any time or from time to time.

Any final dividend declared by the Company must be approved by an ordinary resolution of Shareholders at an AGM and must not exceed the amount recommended by the Board.





# Corporate Governance Report

## 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

There was no change in the constitutional documents of the Company during the Year.

# Financial Statements





# 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 (collectively referred to as the “Group”) set out on pages 59 to 103, which comprise the consolidated statement of financial position as at 30th September 2022; and 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 for the year then ended; and 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 30th September 2022, 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.

# Independent Auditor's Report

Key audit matters identified in our audit are summarised as follows:

- Revenue recognition
- Impairment assessment of trade receivable

## Key Audit Matter

## How our audit addressed the Key Audit Matter

### Revenue recognition

Refer to Note 6(a) (significant accounting judgments and estimates) and Note 8 (revenue) to the consolidated financial statements.

The Group recognised revenue of HK\$45,395,000 from provision of financial printing services for the year ended 30th September 2022.

Revenue from provision of financial printing services is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation at reporting date using input method as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. We identified the recognition of revenue from provision of financial printing services as a key audit matter due to the financial significance of revenue to the consolidated financial statements and the significant judgements required in determining the earliest time at which the Group can reasonably measure the outcome of the performance obligation and estimation required for measuring the progress and variable consideration.

Our procedures in relation to revenue recognition mainly included:

- Obtaining an understanding of the processes and testing the Group's internal controls over the recognition of revenue;
- Reviewing signed fee proposals with customers to understand the terms of the provision of financial printing services to assess if the revenue recognition policy applied by the Group is in compliance with HKFRS 15 *Revenue from Contracts with Customers*;
- Assessing the reasonableness of management's judgement applied in determining the earliest time at which the Group can reasonably measure the outcome of the performance obligation and estimation required for measuring the progress and variable consideration; and
- Checking the mathematical accuracy of and examining the incurred costs to date by tracing to source documentation on a sample basis and evaluating their recoverability.



## Independent Auditor's Report

### Key Audit Matter

### How our audit addressed the Key Audit Matter

#### Impairment assessment of trade receivables

Refer to Note 6(b) (significant accounting judgments and estimates) and Note 18 (trade receivables) to the consolidated financial statements.

As at 30th September 2022, trade receivables recognised by the Group amounted to HK\$19,394,000. The related provision for expected credit losses recognised by the Group amounted to HK\$6,550,000.

Management judgement is involved in assessing the appropriateness of forward-looking information used for estimating expected credit losses. Management estimated the expected credit losses, based on historical credit loss experience by customers as adjusted for forward-looking information. The impact of economic factors, both current and future, is considered in assessing the likelihood of recovery from customer, where applicable.

We focus on the area due to the significant management's judgement and estimation involved in assessing the expected credit losses.

Our procedures in relation to impairment assessment of trade receivables mainly included:

- Reviewing management's assessment of the overall policies and procedures in relation to expected credit losses model for estimating impairment provisions and assessing the appropriateness of the model applied by the management;
- Assessing the reasonableness of management's judgement and estimates for expected credit losses by examining the information used by management, including testing accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information; and
- Checking the subsequent settlements made by customers to relevant bank records on a sample basis.

# Independent Auditor's Report

---

## OTHER INFORMATION

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.

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 AND THE AUDIT COMMITTEE 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 of the Company 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 Audit Committee is responsible for overseeing the Group's financial reporting process.



## Independent Auditor's Report

### 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, in accordance with our agreed terms of engagement 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 HKSA's 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 HKSA's, 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.
- 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.

## Independent Auditor's Report

---

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, actions taken to eliminate threats or safeguards applied.

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 Wan Tak Shing (Practising Certificate Number: P04844).

**PKF Hong Kong Limited**  
*Certified Public Accountants*

Hong Kong, 15th December 2022





# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30th September 2022

	Notes	2022 HK\$'000	2021 HK\$'000
Revenue	8	45,395	57,532
Cost of services		(22,704)	(27,944)
Gross profit		22,691	29,588
Other income	9	1,715	2,058
Selling expenses		(3,271)	(3,625)
Administrative expenses		(25,263)	(29,319)
Finance costs		(904)	(511)
Loss before tax	10	(5,032)	(1,809)
Income tax credit	13	2,251	80
Loss and total comprehensive expense for the year attributable to owners of the Company		(2,781)	(1,729)
		HK cents	HK cents
<b>Loss per share</b>			
Basic and diluted	15	(0.28)	0.17



# Consolidated Statement of Financial Position

As at 30th September 2022

		As at 30th September	
	Notes	2022 HK\$'000	2021 HK\$'000
<b>Non-current Assets</b>			
Property, plant and equipment	16	1,367	2,260
Right-of-use assets	17	18,638	4,784
Deferred tax assets	24	1,046	—
<b>Total Non-current Assets</b>		<b>21,051</b>	7,044
<b>Current Assets</b>			
Trade receivables	18	12,844	14,358
Contract assets	19	358	293
Prepayments, deposits and other receivables	20	3,046	3,808
Fixed deposits	21	44,668	—
Cash and cash equivalents	21	23,810	65,908
<b>Total Current Assets</b>		<b>84,726</b>	84,367
<b>Current Liabilities</b>			
Trade payables	22	5,050	7,514
Contract liabilities	19	11,868	8,263
Accruals	23	3,441	2,700
Lease liabilities	17	8,570	3,906
Tax liabilities		658	—
<b>Total Current Liabilities</b>		<b>29,587</b>	22,383
<b>Net Current Assets</b>		<b>55,139</b>	61,984
<b>Total Assets less Current Liabilities</b>		<b>76,190</b>	69,028
<b>Non-current Liability</b>			
Lease liabilities	17	11,053	1,110
<b>Net Assets</b>		<b>65,137</b>	67,918
<b>Capital and Reserves</b>			
Share capital	25	10,000	10,000
Reserves	26	55,137	57,918
<b>Total Equity</b>		<b>65,137</b>	67,918

The consolidated financial statements were approved and authorised for issue by the board of directors on 15th December 2022 and were signed on its behalf by:

**Mr. Chan Tsang Tieh**  
Director

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



# Consolidated Statement of Changes in Equity

For the year ended 30th September 2022

	Share capital HK\$'000 (Note 25)	Share premium HK\$'000 (Note 26(i))	Capital reserve HK\$'000 (Note 26(ii))	Merger reserve HK\$'000 (Note 26(iii))	Retained profits HK\$'000	Total HK\$'000
At 1st October 2020	10,000	36,735	5,074	16	17,822	69,647
Loss and total comprehensive expense for the year	—	—	—	—	(1,729)	(1,729)
At 30th September 2021	10,000	36,735	5,074	16	16,093	67,918
Loss and total comprehensive expense for the year	—	—	—	—	(2,781)	(2,781)
<b>At 30th September 2022</b>	<b>10,000</b>	<b>36,735</b>	<b>5,074</b>	<b>16</b>	<b>13,312</b>	<b>65,137</b>



# Consolidated Statement of Cash Flows

For the year ended 30th September 2022

	Notes	2022 HK\$'000	2021 HK\$'000
<b>Cash Flows from Operating Activities</b>			
Loss before tax		(5,032)	(1,809)
Adjustments for:			
Interest income		(138)	(178)
Interest expenses		979	615
Depreciation of property, plant and equipment		893	888
Depreciation of right-of-use assets		9,621	12,077
Impairment losses on trade receivables		—	2,526
Impairment losses on contract assets		—	33
Written back of contract liabilities		—	(888)
<b>Operating cash flows before movements in working capital</b>		<b>6,323</b>	<b>13,264</b>
Decrease/(increase) in:			
— trade receivables		1,514	(4,985)
— contract assets		(65)	(36)
— prepayments, deposits and other receivables		762	357
(Decrease)/increase in:			
— trade payables		(2,464)	(1,668)
— contract liabilities		3,605	2,476
— accruals		(338)	(312)
Cash generated from operations		9,337	9,096
Income tax refunded		1,863	340
<b>Net cash from operating activities</b>		<b>11,200</b>	<b>9,436</b>
<b>Cash Flows from Investing Activities</b>			
Placement of fixed deposits		(44,668)	—
Interest received		138	178
Purchases of property, plant and equipment		—	(452)
<b>Net cash used in investing activities</b>		<b>(44,530)</b>	<b>(274)</b>
<b>Cash Flows from Financing Activities</b>			
Interest paid	27	(979)	(615)
Repayments of principal portion of lease liabilities	27	(7,789)	(12,296)
<b>Net cash used in financing activities</b>		<b>(8,768)</b>	<b>(12,911)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(42,098)</b>	<b>(3,749)</b>
<b>Cash and cash equivalents, at beginning of year</b>		<b>65,908</b>	<b>69,657</b>
<b>Cash and cash equivalents, at end of year</b>	21	<b>23,810</b>	<b>65,908</b>



# 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 20th 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 2nd February 2018.

The Company’s registered office is at the 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 28.

The 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 consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong.

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

The consolidated financial statements have been prepared on a historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are accounted for in accordance with HKFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in HKAS 36 Impairment of Assets (“HKAS 36”).

# Notes To The Consolidated Financial Statements

## 3. BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Company 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.

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 over the subsidiaries, 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 Group. 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 of the elements of control described above.

## 4. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

### AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 October 2021 for the preparation of the consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021

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



## Notes To The Consolidated Financial Statements

### 4. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs (Continued)

#### NEW AND AMENDMENTS TO HKFRSs IN ISSUE BUT NOT YET EFFECTIVE

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

HKFRS 17	Insurance Contracts and the related Amendments <sup>1</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2 <sup>4</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 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 <sup>2</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use <sup>2</sup>
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract <sup>2</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2022.

<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 January 2021.

The directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### IMPAIRMENT OF NON-FINANCIAL ASSETS

Where an indication of impairment exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset'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 profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

### PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated 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 is capitalised in the carrying amount of the asset as a replacement.

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 lives. The principal annual rates used for this purpose are as follows:

Leasehold improvements	20%
Furniture and fixtures	20%
Office equipment	20%
Computer equipment	20%

Residual values, useful lives and the depreciation method are reviewed, and adjusted prospectively 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. 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.





## Notes To The Consolidated Financial Statements

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

#### FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets or financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### *Financial assets*

All recognised financial assets are required to be subsequently measured at amortised cost or fair value on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

#### *Classification of financial assets*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

#### *Amortised cost and effective interest rate*

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

# Notes To The Consolidated Financial Statements

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

### FINANCIAL INSTRUMENTS (Continued)

#### *Financial assets (Continued)*

##### *Impairment of financial assets and contract assets*

The Group performs impairment assessment under expected credit loss (“ECL”) model on trade and other receivables, bank balances and cash, fixed deposits and contract assets which are subject to impairment assessment under HKFRS 9 Financial Instruments (“HKFRS 9”). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets without significant financing component. For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

##### *Significant increase in credit risk*

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether the credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.



## Notes To The Consolidated Financial Statements

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

#### FINANCIAL INSTRUMENTS (Continued)

##### *Financial assets (Continued)*

##### *Impairment of financial assets and contract assets (Continued)*

##### *Significant increase in credit risk (Continued)*

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default; (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of “investment grade” as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

##### *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;

# Notes To The Consolidated Financial Statements

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

### FINANCIAL INSTRUMENTS (Continued)

#### *Financial assets (Continued)*

##### *Credit-impaired financial assets (Continued)*

- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

or

- the disappearance of an active market for that financial asset because of financial difficulties.

#### *Write-off policy*

The Group writes off a financial asset when there is information indicating that there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

#### *Measurement and recognition of ECL*

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exceptions of trade receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

Where ECL is measured on a collective basis to cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.



## Notes To The Consolidated Financial Statements

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

#### FINANCIAL INSTRUMENTS (Continued)

##### *Financial assets (Continued)*

##### *Measurement and recognition of ECL (Continued)*

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

##### *Financial liabilities and equity*

##### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recognised at the proceeds received, net of direct issue costs.

##### *Financial liabilities at amortised cost*

Financial liabilities including trade and other payables and accruals are subsequently measured at amortised cost, using the effective interest method.

##### *Derecognition*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### 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 Group's cash management.

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

### LEASES

A contract is a lease if the contract transfers the right to control the use of an identified asset for a period of time in exchange for a consideration.

#### *The Group as lessee*

The Group recognises a right-of-use asset and a corresponding lease liability in which it is the lessee, except for a lease that has lease term of 12 months or less from the commencement date and does not contain a purchase option. For these leases, the Group recognises the lease payments as expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

#### *Right-of-use assets*

Right-of-use assets should be recognised at cost and comprise the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the Group; and an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. If the Group has an obligation for costs to dismantle, remove or restore the underlying asset to the condition required by the terms and conditions of the lease, provision is recognised and measured under HKAS 37 Provision, Contingent Liabilities and Contingent Assets. The costs should be included in the right-of-use asset.

Right-of-use assets are depreciated over the shorter of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Group applies HKAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Impairment of non-financial assets” policy.

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value.

#### *Lease liabilities*

Lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If the rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of lease liability comprise fixed lease payments, including in-substance fixed payments, less any lease incentives receivable.

Lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, using the effective interest method, and by reducing the carrying amount to reflect the lease payments made.



## Notes To The Consolidated Financial Statements

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

#### PROVISIONS

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation by the Group, provided that a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised at the date of inception of the lease at the directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

#### REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group 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.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

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

### REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

#### *Provision of financial printing services*

The Group provides financial printing services under contracts with customers. Such contracts are entered into before the services begin. Revenue from provision of financial printing services is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation using cost-to-cost input method as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

Contract assets arise when the Group has right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. They are assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration.

Contract liabilities arise when the Group has obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

The progress towards complete satisfaction of a performance obligation is measured based on cost-to-cost input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of services.

#### *Variable consideration*

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using the expected value method/the most likely amount, which better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.





# Notes To The Consolidated Financial Statements

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

### REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

#### *Principal versus agent*

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

### GOVERNMENT GRANTS

Grants from government are recognised where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs for which the grants are intended to compensate are recognised in the consolidated statement of profit or loss and other comprehensive income as income over the period necessary to match them with the costs they are intended to compensate.

### EMPLOYEE BENEFITS

Salaries, annual bonuses, annual leave entitlements and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group.

The Group operates a defined contribution scheme, the Mandatory Provident Fund retirement benefits scheme (the “**MPF Scheme**”) under the Hong Kong 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 contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group’s 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.

### INCOME TAX

Income tax comprises current and deferred tax and are recognised in profit or loss.

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.

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

### INCOME TAX (Continued)

Deferred tax liabilities are recognised 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, except:

- (1) when the temporary difference arises from the initial recognition of goodwill or an asset or a 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 when the timing of the reversal of the temporary differences can be controlled by the Group 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 to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax losses can be utilised, except:

- (1) when the deductible temporary difference 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, 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.

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.

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.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption.



## Notes To The Consolidated Financial Statements

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

#### FOREIGN CURRENCIES

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 translated into the functional currency at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the 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.

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.

#### 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 an associate or a joint venture of a member of a group of which the other entity is a member);
  - (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;

# Notes To The Consolidated Financial Statements

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

### RELATED PARTIES (Continued)

(b) (Continued)

- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (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); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

## 6. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

### (a) REVENUE RECOGNITION

The Group recognised revenue from provision of financial printing services only to the extent of the recoverable costs incurred until the Group can reasonably measure its progress towards complete satisfaction of the performance obligation. Thereafter the revenue is recognised over time by reference to the progress towards complete satisfaction of the performance obligation at the reporting date. Variable consideration is estimated based on the Group's efforts or inputs to the satisfaction of performance obligation according to the contract terms.

Significant judgement and estimates are required in determining whether the Group can measure reasonably the outcome of its performance obligation and the uncertainty associated with the estimation of the progress and variable consideration. Incorrect judgement and estimates would affect the Group's operating performance in future years.



## Notes To The Consolidated Financial Statements

### 6. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

(Continued)

#### (b) IMPAIRMENT ASSESSMENT OF TRADE RECEIVABLES AND CONTRACT ASSETS

The Group makes allowances on trade receivables and contract assets based on assumptions about risk of default and expected loss rates. The allowance for trade receivables and contract assets reflects lifetime ECL i.e. possible default events over the expected life of the trade receivables and contract assets, weighted by the probability of that default occurring. Judgement has been applied in determining the level of ECL, taking into account the future cash flow for trade receivables and contract assets including a probability weighted amount determined by evaluating a range of possible outcomes based on the historical credit losses experience by customers, economic factors as well as forward looking estimates in assessing the likelihood of recovery from customer at the end of each reporting period. While the allowance is considered appropriate, changes in estimation basis or in economic conditions could lead to a change in the level of allowance recorded and consequently on the charge or credit to profit or loss.

#### (c) DEFERRED TAX ASSET

As at 30th September 2022, a deferred tax asset of HK\$1,046,000 (2021: Nil) in relation to unused tax losses and deductible temporary difference for an operating subsidiary has been recognised in the consolidated statement of financial position. No deferred tax asset has been recognised on the tax losses of HK\$8,274,000 for non-operating subsidiaries due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future, which is a key source of estimation uncertainty. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

#### (d) IMPAIRMENT OF NON-FINANCIAL ASSETS

Non-financial assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount or, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rate or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

Details of the impairment of non-financial assets are disclosed in note 16 to the consolidated financial statements.

# 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. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

### GEOGRAPHICAL INFORMATION

The Group's operations are located in Hong Kong and no non-current assets of the Group are located outside Hong Kong.

### INFORMATION ABOUT MAJOR CUSTOMERS

For the year ended 30th September 2022, there is no revenue from customers (2021: nil) contributing over 10% of the total revenue of the Group. Revenue derived from the top 5 customers contributed 14.7% (2021: 23.1%) of the total revenue of the Group.



## Notes To The Consolidated Financial Statements

### 8. REVENUE

An analysis of revenue from external customers is as follows:

	<b>2022</b> <b>HK\$'000</b>	2021 HK\$'000
Revenue from contracts with customers and recognised over time		
Provision of financial printing services in Hong Kong	<b>45,395</b>	57,532

The Group elected to apply the practical expedient permitted under HKFRS 15 and not disclose about revenue that the Group will be entitled to when it satisfies the remaining unsatisfied performance obligations as at the end of the reporting period under the contracts that had an original expected duration of one year or less.

The following table shows the amounts of revenue from the provision of financial printing services recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	<b>2022</b> <b>HK\$'000</b>	2021 HK\$'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period	<b>1,805</b>	1,771

### 9. OTHER INCOME

	<b>2022</b> <b>HK\$'000</b>	2021 HK\$'000
Bank interest income	<b>138</b>	178
Government grants under Employment Support Scheme	<b>1,298</b>	951
Written back of contract liabilities (Note)	<b>—</b>	888
Exchange gain	<b>88</b>	—
Sundry income	<b>191</b>	41
	<b>1,715</b>	2,058

Note: They were written back after the time bar has elapsed.

# Notes To The Consolidated Financial Statements

## 10. LOSS BEFORE TAX

Loss for the year from continuing operations has been arrived at after charging:

	2022 HK\$'000	2021 HK\$'000
Auditor's remuneration	800	800
Depreciation of property, plant and equipment	893	888
Depreciation of right-of-use assets included in:		
— cost of services	584	592
— administrative expenses	9,037	11,485
	9,621	12,077
Impairment losses on trade receivables (Note 1)	—	2,526
Impairment losses on contract assets (Note 1)	—	33
Salaries and allowances (excluding directors' remuneration)	19,816	18,238
Contributions to MPF Scheme (Note 2)	827	782
	20,643	19,020
Interest on lease liabilities included in:		
— cost of services	75	104
— finance costs	904	511
	979	615
Expenses relating to short-term leases	85	—

Note 1: Included in administrative expenses.

Note 2: The Group contributes 5% of relevant payroll costs to the MPF Scheme, contribution of which is matched by employees. The maximum monthly amount of contribution is limited to HK\$1,500 per employee. During the years ended 30th September 2022 and 2021, the Group had no forfeited contributions under the MPF Scheme which may be used by the Group to reduce existing level of contributions as described in paragraph 18.34(2) of the Listing Rules. No forfeited contributions were also available at 31st March 2022 and 2021 for the Group to reduce contribution payables in future years, if applicable.





## Notes To The Consolidated Financial Statements

### 11.DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance is as follows:

	Year ended 30th September 2022				
	Fees HK\$'000	Salaries, allowances, and benefits in kind HK\$'000	Performance related bonuses HK\$'000	MPF Scheme contributions HK\$'000	Total HK\$'000
<b>Executive directors</b>					
Mr. Chan Tsang Tieh	240	—	—	—	240
Mrs. Donati Chan Yi Mei Amy (also as chief executive)	120	1,730	—	18	1,868
	360	1,730	—	18	2,108
<b>Independent non-executive directors</b>					
Mr. Li Wai Ming	60	—	—	—	60
Mr. Wan Chun Wai Andrew	60	—	—	—	60
Ms. Chan Chiu Yee Natalie	60	—	—	—	60
	180	—	—	—	180
	540	1,730	—	18	2,288

	Year ended 30th September 2021				
	Fees HK\$'000	Salaries, allowances, and benefits in kind HK\$'000	Performance related bonuses HK\$'000	MPF Scheme contributions HK\$'000	Total HK\$'000
<b>Executive directors</b>					
Mr. Chan Tsang Tieh	240	—	—	—	240
Mrs. Donati Chan Yi Mei Amy (also as chief executive)	120	1,704	—	18	1,842
	360	1,704	—	18	2,082
<b>Independent non-executive directors</b>					
Mr. Li Wai Ming	60	—	—	—	60
Mr. Wan Chun Wai Andrew	60	—	—	—	60
Ms. Chan Chiu Yee Natalie	60	—	—	—	60
	180	—	—	—	180
	540	1,704	—	18	2,262

# Notes To The Consolidated Financial Statements

## 11.DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

(Continued)

Other than the independent non-executive directors' emoluments shown above which were for their services as director of the Company, the emoluments shown above were for their services in connection with the management of the affairs and as directors of the Company and its subsidiaries, if applicable.

There was no arrangement under which a director or the chief executive 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.

## 12.FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included one (2021: one) director who is also the chief executive, details of whose remuneration are set out in note 11 above. Details of the remuneration for the year of the remaining 4 (2021: 4) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2022 HK\$'000	2021 HK\$'000
Salaries, allowances and benefits in kind	2,715	2,423
MPF Scheme contributions	72	72
	<b>2,787</b>	2,495

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

	2022	2021
Nil to HK\$1,000,000	4	4

During the year, no remuneration was paid by the Group to the non-director and non-chief executive highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.



## Notes To The Consolidated Financial Statements

### 13. INCOME TAX CREDIT

No provision for Hong Kong profits tax has been made as the Group has available tax losses brought forward from prior years to offset the assessable profits generated in preceding year and did not have any estimated assessable profits generated for the current year.

	2022 HK\$'000	2021 HK\$'000
Current — Hong Kong		
Charge for the year	—	—
Over-provision in previous years	(1,205)	(80)
	(1,205)	(80)
Deferred tax (note 24)		
Current year	(1,046)	—
	(2,251)	(80)

The tax credit for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2022 HK\$'000	2021 HK\$'000
Loss before tax	(5,032)	(1,809)
Tax at Hong Kong profits tax rate of 16.5% (2021: 16.5%)	(830)	(299)
Income not subject to tax	(212)	(255)
Expenses not deductible for tax purpose	10	6
Unrecognised temporary differences	29	19
Temporary differences previously not recognised	(420)	—
Tax losses utilised	—	(30)
Tax losses not recognised	377	559
Over-provision in previous years	(1,205)	(80)
Income tax credit	(2,251)	(80)

# Notes To The Consolidated Financial Statements

## 14.DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 30th September 2022 (2021: Nil) nor has any dividend been proposed since the end of the reporting period (2021: Nil).

## 15.LOSS PER SHARE

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

	<b>2022 HK\$'000</b>	2021 HK\$'000
Loss:		
Loss for the year attributable to owners of the Company	<b>(2,781)</b>	(1,729)
	<b>2022 '000</b>	2021 '000
Number of shares:		
Weighted average number of ordinary shares	<b>1,000,000</b>	1,000,000
	<b>HK cents</b>	HK cents
Basic and diluted loss per share	<b>(0.28)</b>	(0.17)

The diluted loss per share is equal to the basic loss per share as the Group had no potentially dilutive ordinary shares in issue during the years ended 30th September 2022 and 2021.



# 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>Cost:</b>					
At 1st October 2020	6,821	651	880	4,373	12,725
Additions	—	—	41	411	452
Written off	—	(32)	(46)	(926)	(1,004)
<b>At 30th September 2021 and 30th September 2022</b>	<b>6,821</b>	<b>619</b>	<b>875</b>	<b>3,858</b>	<b>12,173</b>
<b>Accumulated depreciation:</b>					
At 1st October 2020	5,005	353	546	4,125	10,029
Charge for the year	537	95	103	153	888
Written back	—	(32)	(46)	(926)	(1,004)
At 30th September 2021	5,542	416	603	3,352	9,913
Charge for the year	539	95	108	151	893
<b>At 30th September 2022</b>	<b>6,081</b>	<b>511</b>	<b>711</b>	<b>3,503</b>	<b>10,806</b>
<b>Net carrying value:</b>					
<b>At 30th September 2022</b>	<b>740</b>	<b>108</b>	<b>164</b>	<b>355</b>	<b>1,367</b>
At 30th September 2021	1,279	203	272	506	2,260

## IMPAIRMENT ASSESSMENT

The management of the Group concluded there was indication for impairment and conducted impairment assessment on its property, plant and equipment and right-of-use assets, which are belong to the same cash-generating unit.

The recoverable amount of cash-generating unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management of the Group covering the following 5 years with a pre-tax discount rate is 16% as at 30th September 2022. The cash flows beyond the five-year period are extrapolated using 2.5% growth rate. Another key assumption for the value in use calculated is the budgeted gross margin, which is determined based on the cash-generating unit past performance and management expectations for the market development.

Based on the result of the assessment, management of the Group determined that the recoverable amount of the cash-generating unit is higher than the carrying amount and no impairment is recognised.

# Notes To The Consolidated Financial Statements

## 17. LEASES

### (i) RIGHT-OF-USE ASSETS

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

	Leased premises HK\$'000	Office equipment HK\$'000	Total HK\$'000
As at 1st October 2020	14,655	2,154	16,809
Additions	—	52	52
Depreciation charge for the year	(11,485)	(592)	(12,077)
As at 30th September 2021	3,170	1,614	4,784
Additions	23,475	—	23,475
Depreciation charge for the year	(9,037)	(584)	(9,621)
<b>As at 30th September 2022</b>	<b>17,608</b>	<b>1,030</b>	<b>18,638</b>

For both years, the Group leases an office, warehouse and equipment for its operations. Lease contracts for leased premises are entered into for fixed term of 1 to 3 years (2021: 2 to 3 years) while lease of equipment generally have lease terms of 5 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The total cash outflow for leases was HK\$8,853,000 (2021: HK\$12,911,000).

During the year, the Group entered into a new lease with a term of 3 years for its use as office and principal place of business. On the lease commencement, the Group recognised right-of-use assets and lease liabilities of HK\$23,475,000 and HK\$22,396,000 respectively.



## Notes To The Consolidated Financial Statements

### 17. LEASES (Continued)

#### (ii) LEASE LIABILITIES

The lease liabilities are payable:

	2022 HK\$'000	2021 HK\$'000
<b>Current</b>		
Within one year	8,570	3,906
<b>Non-current</b>		
More than one year but not later than two years	8,835	610
More than two years but not later than five years	2,218	500
	11,053	1,110
	19,623	5,016

The maturity analysis of lease liabilities is disclosed in note 33 to the financial statements.

#### (iii) The amount recognised in profit or loss in relation to leases are as follows:

	2022 HK\$'000	2021 HK\$'000
Depreciation of right-of-use assets	9,621	12,077
Interest on lease liabilities	979	615
Expense relating to short-term leases	85	—
Total amount recognised in profit or loss	10,685	12,692

#### (iv) The incremental borrowing rate applied to lease liabilities was 5.25% (2021: 5.25%).

# Notes To The Consolidated Financial Statements

## 18. TRADE RECEIVABLES

	2022 HK\$'000	2021 HK\$'000
Trade receivables		
— contract with customers	19,394	20,908
Less: Allowance for credit losses	(6,550)	(6,550)
	12,844	14,358

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

An ageing analysis of trade receivables as at the end of the reporting period, based on the invoice date and net of allowance for credit losses, is as follows:

	2022 HK\$'000	2021 HK\$'000
Within 30 days	6,808	10,811
31 to 60 days	841	—
61 to 90 days	1,125	964
91 to 180 days	3,083	2,191
181 days to 1 year	462	273
Over 1 year	525	119
	12,844	14,358

The movements in the lifetime ECL for trade receivables are as follows:

	2022 HK\$'000	2021 HK\$'000
At beginning of year	6,550	4,024
Impairment losses recognised	—	2,526
At end of year	6,550	6,550





# Notes To The Consolidated Financial Statements

## 19.CONTRACT ASSETS/CONTRACT LIABILITIES

### CONTRACT ASSETS

	2022 HK\$'000	2021 HK\$'000
Contract assets	3,377	3,312
Less: allowance for credit losses	(3,019)	(3,019)
Contract assets, net	358	293

Contract assets are initially recognised for revenue earned from the provision of financial printing services as the receipt of consideration is conditional on the Group's future performance. Upon the rights to consideration become unconditional, the amounts recognised as contract assets are reclassified to trade receivables.

Typical payment terms which impact on the amount of contract assets recognised are as follows:

The Group's provision of financial printing service contracts include payment schedules which require stage payments over the service period once certain specified milestones are reached. The Group requires certain customers to provide upfront payment range from 10% to 40% (2021: 10% to 20%) of total contract sum as part of its credit risk management policies and this has resulted in a contract liability at early stage of the services.

The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

During the year ended 30th September 2022, no (2021: HK\$33,000) allowance for ECL on contract assets was recognised. The Group's trading terms and credit policy with customers are disclosed in note 18 to the financial statements.

The movements in the lifetime ECL contract assets are as follows:

	2022 HK\$'000	2021 HK\$'000
At beginning of year	3,019	2,986
Impairment losses recognised	—	33
At end of year	3,019	3,019

# Notes To The Consolidated Financial Statements

## 19.CONTRACT ASSETS/CONTRACT LIABILITIES (Continued)

### CONTRACT LIABILITIES

	2022 HK\$'000	2021 HK\$'000
Provision for financial printing services		
Billings in advance of performance	11,868	8,263

The significant increase (2021: increase) in contract liabilities in the current year was mainly due to more advance payment received from customers.

All contract liabilities are expected to be settled within the Group's normal operating cycle, and are classified as current liabilities.

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

When the Group receives an advance payment before the financial printing services commence, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the advance payment.

## 20.PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2022 HK\$'000	2021 HK\$'000
Prepayments	305	191
Rental and other deposits	2,741	3,489
Other receivables	—	128
	3,046	3,808

The financial assets included in the above balances related to receivables for which there were no recent history of default and past due amounts. As at 30th September 2022 and 2021, the loss allowance was assessed to be minimal.



## Notes To The Consolidated Financial Statements

### 21. BANK BALANCES AND CASH/FIXED DEPOSITS

	<b>2022</b> <b>HK\$'000</b>	2021 HK\$'000
Cash and bank balances	<b>13,319</b>	33,882
Fixed deposits	<b>55,159</b>	32,026
	<b>68,478</b>	65,908

Cash and bank balances earn interests at floating rates based on daily bank deposit rates. Time deposits of HK\$44,668,000 (2021: Nil) carry fixed interest rate of 1.5%–3.15% and are made for a maturity period of more than 3 months when placed. The remaining time deposits HK\$10,491,000 (2021: HK\$32,026,000) carries fixed interest rate of 0.7% (2021: 0.33% to 0.34%) and are made for periods of not more than 3 months.

### 22. TRADE PAYABLES

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

	<b>2022</b> <b>HK\$'000</b>	2021 HK\$'000
Within 30 days	<b>1,418</b>	2,727
31 to 60 days	<b>635</b>	394
61 to 90 days	<b>15</b>	1,073
91 to 180 days	<b>522</b>	1,371
181 days to 1 year	<b>755</b>	677
Over 1 year	<b>1,705</b>	1,272
	<b>5,050</b>	7,514

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

## Notes To The Consolidated Financial Statements

### 23.ACCRUALS

	2022 HK\$'000	2021 HK\$'000
Accrued commission	922	1,270
Accrued auditor's remuneration	800	800
Others	1,719	630
	<b>3,441</b>	2,700

### 24.DEFERRED TAX

The following are the major deferred tax assets recognized and movement thereon during the current and prior years.

	Decelerated depreciation allowance HK\$'000	Tax loss HK\$'000	Total HK\$'000
At 1st October 2020, 30th September 2021 and 1st October 2021	—	—	—
Charge for the year — Note 13	505	541	1,046
<b>At 30th September 2022</b>	<b>505</b>	<b>541</b>	<b>1,046</b>

At the end of the reporting period, the Group has unused tax losses of approximately HK\$11,551,000 (2021: HK\$8,162,000) available indefinitely for offset against future profits of the companies in which the losses arose. A deferred tax asset has been recognised in respect of approximately HK\$3,277,000 (2021: Nil) of such losses during the current year. No deferred tax asset has been recognized in respect of the remaining approximately HK\$8,274,000 (2021: HK\$8,162,000) due to the unpredictability of future profit streams.

At the end of the reporting period, the Group has deductible temporary differences of HK\$3,060,000 (2021: HK\$2,528,000). A deferred tax asset of HK\$505,000 (2021: Nil) has been recognised in relation to such deductible temporary difference during the year as the management expects sufficient future profits or taxable temporary differences will be available against which the deductible temporary differences can be utilised.



# Notes To The Consolidated Financial Statements

## 25.SHARE CAPITAL

	Number of ordinary shares '000	Share capital HK\$'000
Authorised: Ordinary shares of HK\$0.01 each		
At 1st October 2020, 30th September 2021 and 2022	5,000,000	50,000
Issued and fully paid:		
At 1st October 2020, 30th September 2021 and 2022	1,000,000	10,000

## 26.RESERVES

### (I) SHARE PREMIUM

The share premium represents the excess of the proceeds received from the capitalisation issue and the initial public offering over the nominal value of the Company's shares issued.

### (II) CAPITAL RESERVE

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

### (III) MERGER RESERVE

The merger reserve represents the difference between the nominal value of new shares of the Company issued for the exchange of the issued shares of the subsidiary under a reorganisation and the carrying amount of its share of the subsidiary's own equity items.

## 27.NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (A) MAJOR NON-CASH TRANSACTIONS

During the year, the Group recognised right-of-use assets and lease liabilities of HK\$23,475,000 (2021: HK\$52,000) and HK\$22,396,000 (2021: HK\$52,000), respectively, in respect of new lease arrangements for leased premises and office equipment.

## Notes To The Consolidated Financial Statements

### 27. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

#### (B) CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities	
	2022 HK\$'000	2021 HK\$'000
At 1st October	5,016	17,260
Changes from financing cash flows	(8,768)	(12,911)
New leases entered	22,396	52
Interest expenses	979	615
At 30th September	19,623	5,016

### 28. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Name	Place of incorporation/ operation	Issued/ registered capital	Percentage of equity interest attributable to the Company		Principal activities
			2022	2021	
<b>Directly held:</b>					
Top Achiever Global Limited	British Virgin Islands ("BVI")	United States dollars ("US\$") 1	100%	100%	Investment holding
<b>Indirectly held:</b>					
High Strength Limited	BVI	US\$1,000	100%	100%	Investment holding
High Data Limited	BVI	US\$1,000	100%	100%	Investments holding
EDICO Financial Press Services Limited	Hong Kong ("HK")	HK\$11,080,000	100%	100%	Provision of financial printing services and investment holding
TOD Translation Services Limited	HK	HK\$10,000	100%	100%	Provision of translation services to the Group
Huge Alliance Limited	HK	HK\$500,000	100%	100%	Provision of management service to the Group
ORTUS Solutions Limited	HK	HK\$1	100%	100%	Inactive



## Notes To The Consolidated Financial Statements

### 29. CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 30th September 2022 and 2021.

### 30. RELATED PARTIES TRANSACTIONS

- (a) The Group had no transactions with related parties during the years ended 30th September 2022 and 2021.
- (b) Compensation of key management personnel of the Group.

The remuneration of directors and other members of key management during the year are set out in note 11 and 12 to the consolidated financial statements.

### 31. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	2022 HK\$'000	2021 HK\$'000
<b>Financial assets</b>		
At amortised cost	84,063	83,883
<b>Financial liabilities</b>		
At amortised cost	7,088	10,214

### 32. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments were reasonably approximate to their fair values as at 30th September 2022 and 2021.

### 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise trade and other receivables, rental and other deposits, cash and bank balance, fixed deposits, trade payables, accruals and lease liabilities.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The directors of the Company review policies for managing and monitoring each of these risks and they are summarised below.

#### INTEREST RATE RISK

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank balances with floating interest rates. The Group's fixed deposits and lease liabilities carry fixed 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 denominated in HK\$. Most of the Group's assets and liabilities are denominated in HK\$, except for certain trade receivables were denominated in US\$ and certain cash on hand and bank balances were denominated in US\$, Taiwan Dollar, Renminbi and Sterling Pound.

Since HK\$ is pegged to US\$ and bank balances denominated in other foreign currencies 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

The Group's credit risk is primarily attributable to trade receivables, contract assets, rental and other deposits, other receivables, and cash and bank balances and fixed deposits. The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge a contractual obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position at the end of each of the reporting period.

The credit risk for cash and bank balances and fixed deposits is considered limited as such amounts are placed in reputable banks with high credit rating assigned by international credit rating agencies.

For other receivables and deposits, the other receivables are insignificant and the rental deposits are available for netting off its leases payment in case of default by the counterparties. The Group assessed the ECL for other receivables and deposits are insignificant.





# Notes To The Consolidated Financial Statements

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

### CREDIT RISK (Continued)

In order to minimise the credit risk on trade receivables and contract assets, the management of the Group has delegated a team responsible for determination of credit limits and assessing credit quality of the customers. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. The credit quality of the debtors is assessed based on their financial position, past experience and other factors. The Group has policies in place to ensure credit terms are granted to reliable debtors. In addition, the Group performs impairment assessment at the end of each of the reporting period to ensure that adequate impairment losses are made on trade receivables (on a collective basis) and contract assets (on an individual basis). No impairment (2021: HK\$2,559,000) is recognised during the year.

Details of the quantitative disclosures are set out below in this note.

### TRADE RECEIVABLES AND CONTRACT ASSETS

An impairment analysis is performed at each reporting date using a provision matrix within lifetime ECL. The provision rates for the measurement of lifetime ECL of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customers base. The provision rates of trade receivables are based on days past due of trade receivables. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than two years.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix.

#### Trade receivables

	Current	Past due					Total
		1-90 days	91-180 days	181-279 days	280-365 days	Over 1 year	
As at 30th September 2022							
Expected credit loss rate	8%	22%	25%	44%	85%	100%	
Gross carrying amount (HK\$'000)	8,356	5,504	693	510	601	3,730	19,394
Expected credit losses (HK\$'000)	695	1,212	175	225	513	3,730	6,550
As at 30th September 2021							
Expected credit loss rate	6%	29%	37%	66%	77%	100%	
Gross carrying amount (HK\$'000)	11,507	4,131	476	339	920	3,535	20,908
Expected credit losses (HK\$'000)	695	1,212	175	225	708	3,535	6,550

# Notes To The Consolidated Financial Statements

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

### LIQUIDITY RISK

In the management of liquidity risk, the Group's policy is to regularly monitor current and expected liquidity requirements on the basis of the maturity of both its financial assets and liabilities and to ensure that it maintains sufficient reserves of cash.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on its remaining contractual undiscounted cash flows and the earliest date on which the Group can be required to pay, was as follows:

	2022 HK\$'000	2021 HK\$'000
Within 1 year		
Trade payables	5,050	7,514
Accruals	2,038	2,700
Lease liabilities	9,395	4,017
	16,483	14,231
More than 1 year but less than 2 years		
Lease liabilities	9,204	654
More than 2 years but less than 5 years		
Lease liabilities	2,237	516
	27,924	15,401

## 34. 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, share buy-backs 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 during the years ended 30th September 2022 and 2021.



## Notes To The Consolidated Financial Statements

### 35.STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2022 HK\$'000	2021 HK\$'000
<b>Non-current Asset</b>		
Investment in a subsidiary	—	—
<b>Current Assets</b>		
Prepayments	184	62
Amounts due from subsidiaries	23,006	42,872
Fixed deposits	23,000	—
Bank balances	1,346	4,893
	47,536	47,827
<b>Current Liability</b>		
Accruals	757	978
<b>Net Current Assets</b>	46,779	46,849
<b>Net Assets</b>	46,779	46,849
<b>Capital and Reserves</b>		
Share capital	10,000	10,000
Reserves	36,779	36,849
<b>Total Equity</b>	46,779	46,849

The Company's statement of financial position was approved and authorised for issue by the board of directors on 15th December 2022 and were signed on its behalf by:

**Mr. Chan Tsang Tieh**  
Director

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

## Notes To The Consolidated Financial Statements

### 35.STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

Movement in the Company's reserves is as follows:

	Share premium HK\$'000 (Note 26(i))	Retained profits HK\$'000	Total HK\$'000
At 1st October 2020	36,735	424	37,159
Loss and total comprehensive expense for the year	—	(310)	(310)
At 30th September 2021	36,735	114	36,849
Loss and total comprehensive expense for the year	—	(70)	(70)
At 30th September 2022	<b>36,735</b>	<b>44</b>	<b>36,779</b>

### 36.EQUITY-SETTLED SHARE OPTION SCHEME OF THE COMPANY

The Company's share option scheme (the "**Scheme**") was adopted pursuant to a resolution passed on 16th January 2018 for the primary purpose of providing incentives to directors and eligible employees, and will expire in ten years.

Under the Scheme, the directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to adviser, consultant, service provider, agent, customer, partner or joint-venture partner or any person who, in the absolute discretion of the board of directors, has contributed or may contribute to the Group.

The total number of shares in respect of which options may be granted under the Scheme and any other share option schemes of the Group is not permitted to exceed 100,000,000 shares of the Company. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.



## Notes To The Consolidated Financial Statements

### 36. EQUITY-SETTLED SHARE OPTION SCHEME OF THE COMPANY (Continued)

Options granted to substantial shareholders or independent non-executive directors or his/her/its associates (as defined in the Listing Rule), in excess of 0.1% of the Company's share capital and with a value in excess of HK\$5,000,000 based on the closing price of the shares of the Company at the date of grant, must be approved in advance by the Company's shareholders.

Options granted must be taken up within 21 days of the date of grant, upon payment of HK\$1 per option. Options may be exercised at any time during the period determined by the directors of the Company at the time of grant but no later than the 10 anniversary of the date of grant. The exercise price is determined by the directors of the Company, and will not be less than the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share on the date of grant.

There is no option granted since adoption of the Scheme.



# Financial Summary

## RESULTS

	For the year ended 30th September				
	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000	2019 HK\$'000 (Restated)	2018 HK\$'000
Revenue	45,395	57,532	81,971	62,929	90,611
Cost of services	(22,704)	(27,944)	(37,634)	(35,533)	(44,451)
Gross profit	22,691	29,588	44,337	27,396	46,160
Other income	1,715	2,058	2,619	843	226
Selling expenses	(3,271)	(3,625)	(2,690)	(4,045)	(4,351)
Administrative expenses	(25,263)	(29,319)	(31,953)	(34,223)	(34,736)
Finance costs	(904)	(511)	(1,051)	—	—
(Loss)/profit before tax	(5,032)	(1,809)	11,262	(10,029)	7,299
Income tax credit/(expense)	2,251	80	—	50	(2,562)
(Loss)/profit and total comprehensive (expense)/income for the year attributable to owners of the Company	(2,781)	(1,729)	11,262	(9,979)	4,737

	As at 30th September				
	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000	2019 HK\$'000 (Restated)	2018 HK\$'000
<b>Assets and Liabilities</b>					
Total assets	105,777	91,411	105,776	100,374	104,042
Total liabilities	40,640	23,493	36,129	41,989	18,760
Total capital and reserves	65,137	67,918	69,647	58,385	85,282

The summary of the consolidated results and the assets and the liabilities of the Group for the last five financial years as extracted from the published audited consolidated financial statements.

8/F., Wheelock House, 20 Pedder Street, Central, Hong Kong

香港中環畢打街 20 號會德豐大廈 8 樓

Website 網站 : <http://www.edico.com.hk>



# + Everything + Matters



Printed on Acid Free, Elemental Chlorine Free, Tree Free Bamboo Natural Paper  
This Paper is made with 75% bamboo & 25% cotton linters

EDICO Holdings Limited

鉅京控股有限公司\*

(Incorporated in the Cayman Islands with limited liability)

於開曼群島註冊成立之有限公司)

Stock code 股份代號: 8450



# One Step Forward



ANNUAL REPORT  
年報 2022/2023

\* 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.

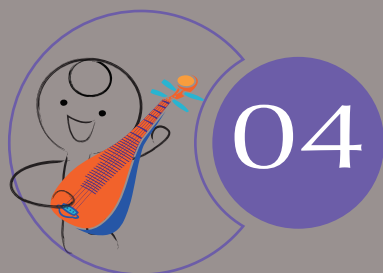


# Cover Story

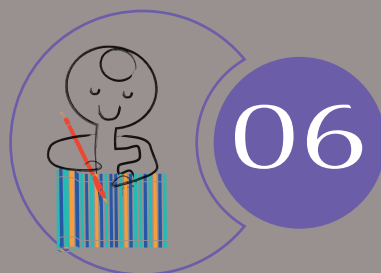


**“One Step Forward”** perfectly encapsulates EDICO’s 2024 mission. We are a great believer of venturing beyond our comfort zones, embracing calculated risks and exploring new frontiers. At EDICO, we aim to unlock a realm of boundless possibilities for better results and greater personal development.

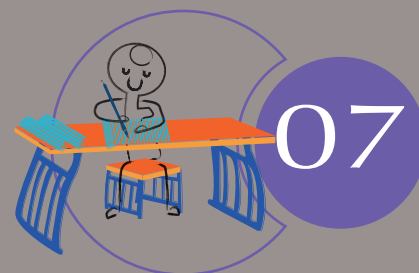
# Cont



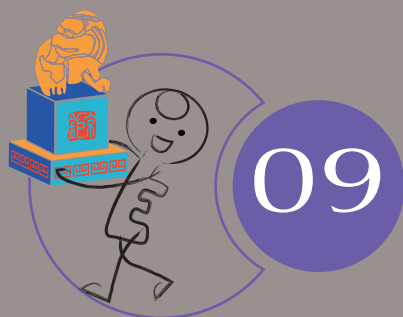
• Corporate Information



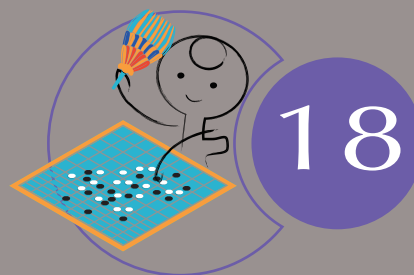
• Chairman's Statement



• CEO's Message

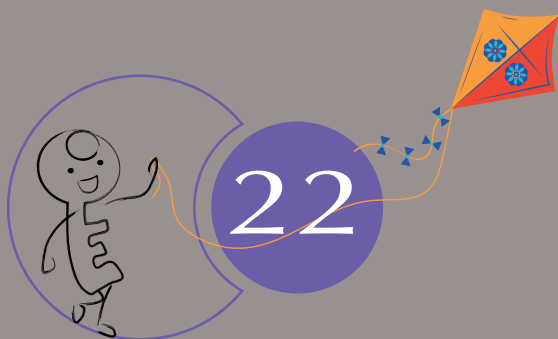


• Management Discussion and Analysis



• Directors and Senior Management Profiles

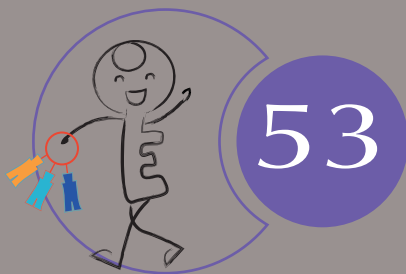
# ents



• Directors' Report



• Corporate Governance Report



- Independent Auditor's Report
- Consolidated Statement of Profit or Loss and Other Comprehensive Income
- Consolidated Statement of Financial Position
- Consolidated Statement of Changes in Equity
- Consolidated Statement of Cash Flows
- Notes to the Consolidated Financial Statements
- Financial Summary



# 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 (*Chairperson*)  
Mr. Wan Chun Wai Andrew  
Ms. Chan Chiu Yee Natalie

### REMUNERATION COMMITTEE

Mr. Wan Chun Wai Andrew (*Chairperson*)  
Mrs. Donati Chan Yi Mei Amy  
Ms. Chan Chiu Yee Natalie

### NOMINATION COMMITTEE

Ms. Chan Chiu Yee Natalie (*Chairperson*)  
Mr. Chan Tsang Tieh  
Mr. Wan Chun Wai Andrew

## COMPANY SECRETARY

Ms. Cheng Kwai Yee *FCCA*

## 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

PKF Hong Kong Limited  
26/F, Citicorp Centre  
18 Whitefield Road  
Causeway Bay  
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

# Corporate Information

---



## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

8/F., Wheelock House  
20 Pedder Street  
Central  
Hong Kong

## 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

Union Registrars Limited  
Suites 3301-04, 33/F.  
Two Chinachem Exchange Square  
338 King's 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 EDICO Holdings Limited ("**EDICO**" or the "**Company**"), I have the pleasure of presenting the financial results of the Company and its subsidiaries (collectively the "**Group**") for the financial year ended 30th September 2023 (the "**Year**").

During the year, the Hong Kong economy revived after the removal of most anti-pandemic policies in China and Hong Kong. However, the Hong Kong capital market, as well as our businesses, were still under severe pressures amid global political tensions and interest rate hikes. We maintained prudent cost control and strengthened operational capabilities in the difficult times, and proactively exploring new business opportunities. As a premier international financial center, the demand of the premium financial printing services in Hong Kong will resume in long term and EDICO is always well positioned to capitalize the opportunities. Meanwhile, we are fully committed to advancing sustainability and integrating sustainability principles into business operations.

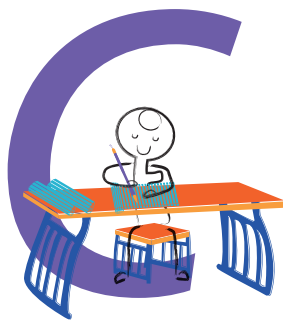
I would like to take this opportunity to express my heartfelt gratitude to my fellow directors, the management team and all the staff for their continuous support in the rapidly changing and challenging operating environment.

**Chan Tsang Tieh**

*Chairman and Executive Director*

Hong Kong, 15th December 2023





## EO'S MESSAGE



While it is a great relief that the COVID-19 pandemic is finally abating, the Hong Kong capital market remained sluggish due to geopolitical tensions and persistently high interest rates. The city's benchmark Hang Seng Index fell 10% for the first nine months of 2023, in contrast to an expected rebound post-pandemic. Many initial public offerings (the "IPO") candidates continued to wait-and-see amid low market valuations. In the first three quarters of the year, the Hong Kong IPO market concluded 44 listings and raised 24.6 billion Hong Kong dollars. It represented a drop of 65% in deal count and 15% in proceeds respectively compared to the same period last year. Meanwhile, fund raising activities from the secondary market were also weak. In view of the market headwinds, the proactive moves such as strengthening sales forces and competitiveness in non-IPO related printings that were made in previous years proved rewarding, so that we can be stronger from the formidable challenges.

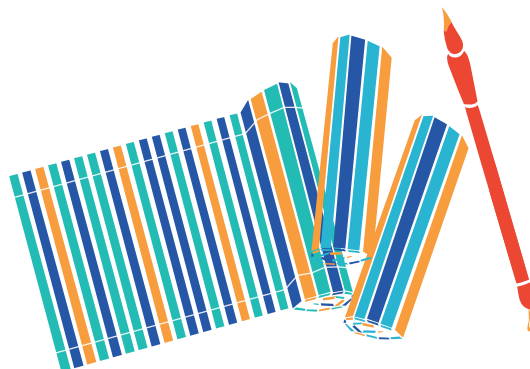
The theme of this annual report, "One Step Forward", perfectly illustrates our strategies in 2024. Despite a much less serious threat of the pandemic, the operating environment will continue to face multiple challenges, particularly the general sentiment of the Hong Kong capital market has not yet recovered. We are not expecting the market to rebound quickly or be comparable with the good old days in near future. Nevertheless EDICO is never afraid of facing challenges. We are a great believer of venturing beyond comfort zones, embracing calculated risks and exploring new frontiers. Over the years, EDICO has already laid solid foundation in provision of the best financial printing services with quality work. As the Hong Kong Government has announced a task force to enhance stock market liquidity and global interest hikes is likely to be ended, we are always well positioned to capitalize any opportunities once the demand for premium financial printing services resumed.

Furthermore, we will explore the opportunities in new and innovative industries to unlock realm of boundless possibilities for better results. We shall remain committed to maintain our premium financial printing services to our clients and create long-term values to our shareholders.

**Donati Chan Yi Mei Amy**

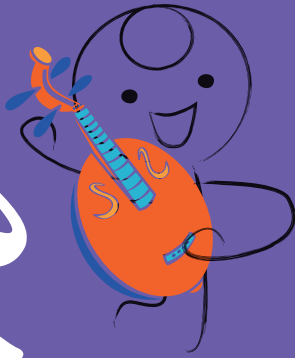
*Chief Executive Officer*

Hong Kong, 15th December 2023





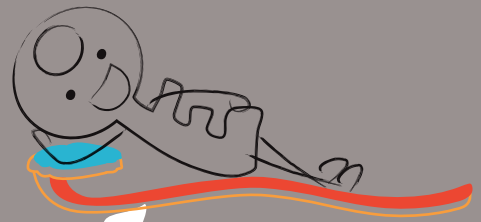
# Mission



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.



To be a leading provider of financial printing services in the region.



# Vision



# Management Discussion and Analysis

## BUSINESS REVIEW AND OUTLOOK

During the year, the Hong Kong economy revived after the removal of most anti-pandemic policies in China and Hong Kong. However, we were still under severe pressures amid global political tensions and interest rate hikes. We are not expecting the market to rebound quickly or be comparable with the good old days in near future. EDICO is never afraid of facing challenges. We are a great believer of venturing beyond comfort zones, embracing calculated risks and exploring new frontiers. Hong Kong as a premier international financial center, the demand of the premium financial printing services will resume in long term and EDICO is always well positioned to capitalize the opportunities.

The Group focuses on operating 24/7 integrated pre- and post-printing services with customers mainly from financial and capital markets. We offer a wide range of comprehensive pre- and post-printing services, namely typesetting, proofreading, translation, design, printing and binding, distribution and media placement. The printed documents we produce cover a vast array of corporate financial-related printed materials, including:

- (i) Listing-related Documents;
- (ii) Periodical Reporting Documents;
- (iii) Compliance Documents; and
- (iv) Miscellaneous and Marketing Collaterals.

Set out below is the revenue attributable to each category of documents and their percentage to the total revenue we handled during the year ended 30 September 2023 (“**Year 2023**”) and year ended 30 September 2022 (“**Year 2022**”):

	2023		2022	
	HK\$'000	%	HK\$'000	%
Listing-related documents	4,959	10.7	7,012	15.4
Periodical reporting documents	27,574	59.3	23,514	51.8
Compliance documents	12,244	26.3	12,747	28.1
Miscellaneous and marketing collaterals	1,722	3.7	2,122	4.7
	46,499	100	45,395	100

For the Year 2022 and Year 2023, revenue attributable to the top five customers amounted to approximately 14.7% and 16.9% 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 Year 2022 and Year 2023, the Group subcontracted some of the translation works to independent translation companies and printing and binding works to independent printing factories and incurred approximately HK\$10.0 million and HK\$10.7 million of translation and printing subcontracting costs respectively, representing approximately 44.1% and 44.6% of our total cost of services respectively.

# Management Discussion and Analysis

## FINANCIAL REVIEW

The following table extracts certain major items of the consolidated financial information of the Group during the Year 2023:

	2023 HK\$'000	2022 HK\$'000
Revenue	46,499	45,395
Cost of services	(23,944)	(22,704)
Gross profit	22,555	22,691
Gross profit margin	48.5%	50.0%
Loss before tax	(7,721)	(5,032)
Loss for the year	(7,680)	(2,781)



## REVENUE

For the Year 2022 and Year 2023, the Group's revenue was approximately HK\$45.4 million and HK\$46.5 million respectively. The increase was mainly contributed by the revenue derived from the printing of periodical reporting documents during the Year 2023.

## 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 customers' catering costs. For the Year 2022 and Year 2023, cost of services amounted to approximately HK\$22.7 million and HK\$23.9 million respectively. The increase in cost of services was generally in line with the increase of the Group's revenue during the Year 2023.



# Management Discussion and Analysis

## GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's gross profit was relatively stable for the Year 2022 and Year 2023. Gross profit margins for the Year 2022 and Year 2023 were approximately 50.0% and 48.5%, respectively.

## SELLING EXPENSES

The Group's selling expenses decreased by approximately HK\$0.7 million, or 20.4%, from approximately HK\$3.3 million for the Year 2022 to approximately HK\$2.6 million for the Year 2023. The decrease was mainly due to the decrease in marketing expenses and staff costs.

## ADMINISTRATIVE AND OTHER OPERATING EXPENSES

The Group's administrative and other operating expenses increased by approximately HK\$3.2 million, or 12.9%, from approximately HK\$25.3 million for the Year 2022 to approximately HK\$28.5 million for the Year 2023. The increase was mainly due to the increase in impairment losses on trade receivables and contract assets.

## FINANCE COSTS

The Group's finance costs represented interest on lease liabilities under Hong Kong Financial Reporting Standard 16.

## INCOME TAX CREDIT

The income tax credit in the Year 2023 and Year 2022 represented over-provision in previous years and deferred tax.

## LOSS FOR THE YEAR

The Group recorded a net loss after tax of approximately HK\$7.7 million for the Year 2023 as compared with that of approximately HK\$2.8 million for Year 2022. The change was primarily due to the increase of impairment losses under expected credit loss model during the Year 2023.



# Management Discussion and Analysis

---

## INTEREST COVERAGE RATIO

Interest coverage ratio was not applicable to the Group as the Group did not have any borrowings and therefore, had not incurred any interest expenses from borrowings during the respective years.

## RETURN ON TOTAL ASSETS

The negative return on total assets was approximately 2.6% and 8.5% for the Year 2022 and Year 2023, respectively.

## RETURN ON EQUITY

The negative return on equity was approximately 4.3% and 13.4% for the Year 2022 and Year 2023, respectively.

## DIVIDEND

The board of directors of the Company (the “**Directors**” and the “**Board**”, respectively) has resolved not to recommend the payment of a final dividend in respect of the Year 2023 (2022: Nil).



# 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 as below:

Objective	KPIs	Strategies
Maximise value for the shareholders	<p>Gross profit margin<sup>(1)</sup> = 48.5% (2022: 50.0%)</p> <p>Return on total assets<sup>(2)</sup> = (8.5%) (2022: (2.6%))</p> <p>Return on equity<sup>(3)</sup> = (13.4%) (2022: (4.3%))</p>	The Group has implemented effective cost control measures, pricing arrangement and capital expenditure.
Maintain the Group’s liquidity and monitor capital structure	<p>Cash and cash equivalents and fixed deposits = approximately HK\$60.6 million (2022: approximately HK\$68.5 million)</p> <p>Current ratio<sup>(4)</sup> = 2.6 times (2022: 2.9 times)</p> <p>Gearing ratio<sup>(5)</sup> = N/A (2022: N/A)</p> <p>Net debt to equity ratio<sup>(6)</sup> = Net cash position (2022: Net cash position)</p>	The Group adopts a prudent financial management policy to regularly monitor its liquidity requirements and 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.

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 loss 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 loss 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\$**") except for certain contract sum denominated in United States dollars ("**USD**"). Most of the Group's assets and liabilities are denominated in HK\$, except for certain trade receivables which were denominated in USD and cash on hand and bank deposits which were denominated in USD, Taiwan Dollar, 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 2023. 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

Our Group generally do not enter into long-term agreements with our customers and may not be able to retain existing customers or secure new customers. We engage our subcontractors on a project-by-project basis for some of our translation works and printing works to our subcontractors and their failure to meet our requirements may affect the quality of our services. However, 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.

## 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 shareholders.

As at 30th September 2023, the Group had cash and cash equivalents and fixed deposits of approximately HK\$60.6 million (2022: HK\$68.5 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 net proceeds from the listing of the shares of the Company (the "**Shares**") in issue on GEM of the Stock Exchange (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 30th September 2023, the Group's current assets amounted to approximately HK\$77.4 million (2022: HK\$84.7 million) and current liabilities amounted to approximately HK\$29.9 million (2022: HK\$29.6 million). Current ratio was 2.6 times as at 30th September 2023 (2022: 2.9 times).

The gearing ratio was not applicable to the Group as at 30th September 2022 and 2023 as the Group did not have any outstanding debt.





# Management Discussion and Analysis

## CAPITAL STRUCTURE

There was no change in the Company's capital structure during the Year 2023. Considering the current financial position of the Group and provided that there is no unforeseeable adverse 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

The Group had no acquisitions and disposals of subsidiaries, associates or joint ventures for the Year 2023.

## SEGMENTAL INFORMATION

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

## NUMBER AND REMUNERATION OF EMPLOYEES, REMUNERATION POLICIES, BONUS AND SHARE OPTION SCHEMES AS WELL AS TRAINING SCHEMES

As at 30th September 2023, the Group had 69 (2022: 66) 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\$2.2 million (2022: HK\$2.3 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\$22.2 million (2022: HK\$22.9 million).

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

The Company has adopted a share option scheme to reward the eligible participants for their contribution to the Group. The Group also provides continuous trainings to the employees to improve their skills and develop their potential. It provides mandatory trainings to the new staff based on the tasks they perform in the course of its 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 THE GROUP'S ASSETS

As at 30th September 2023 and 2022, the Group did not have any loans and banking facility and therefore, no asset had been pledged to any parties.



# Management Discussion and Analysis

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS AND THE EXPECTED SOURCES OF FUNDING

The Group did not have any significant investments or any other plans for material investments or capital assets as at 30th September 2023.

## CONTINGENT LIABILITIES

As at 30th September 2023 and 2022, the Group had no significant contingent liabilities.

## USE OF NET PROCEEDS FROM THE LISTING

On 2nd February 2018 (the “**Listing Date**”), 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 were issued at HK\$0.22 per Share in relation to its Share Offer (as defined in the prospectus of the Company dated 23rd January 2018 (the “**Prospectus**”). The net proceeds received from the Listing, after deducting the underwriting commission and all related Listing expenses (the “**Net Proceeds**”) were amounted to approximately HK\$28.7 million.

The table below sets out the planned applications of the Net Proceeds and the actual usage during the Year 2023:

Intended application of the Net Proceeds	Total expenditure of the planned applications (Note 1) (HK\$ million)	Planned use of the Net Proceeds (Note 2) (HK\$ million)	Actual usage from the Listing Date and up to 30th September 2022 (HK\$ million)	Actual usage during 1st October 2022 to 15th December 2022 (HK\$ million)	Revised	Actual usage from 15th December 2022 to 30th September 2023 (HK\$ million)	Unutilised Net Proceeds as at 30th September 2023 (HK\$ million)
					allocation of		
					unutilised Net Proceeds on		
					15th December 2022 (Note 4)		
Upgrading the Central Office (Note 3) and setting up a new office	18.6	13.9	5.8	0.3	(7.8)	—	—
Expanding the workforce	10.0	7.5	7.5	—	—	—	—
Upgrading and acquiring equipment and software	6.0	4.5	2.2	0.4	(1.9)	—	—
Working capital and general corporate expenses	—	2.8	2.8	—	9.7	9.7	—

Notes:

- (1) Refers to the future plans as stated in the Prospectus.
- (2) Refers to the planned use of the Net Proceeds as stated in the Prospectus.
- (3) Central Office represents the Group’s headquarters and principal place of business located at 8/F., Wheelock House, 20 Pedder Street, Central, Hong Kong.
- (4) The Group has resolved to change the use of the unutilised net proceeds to general working capital.

The Directors have resolved to change the use of the unutilised Net Proceeds to general working capital and general operating purpose for more efficient use of the resources, as detailed in the Company’s announcement dated 15th December 2022.



# Management Discussion and Analysis

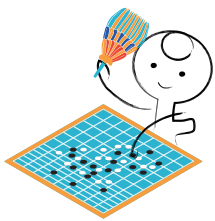
## COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL PROGRESS

The following is a comparison of the Group's business objectives as set out in the Prospectus with actual progress for the Year 2023.

### Business objectives as set out in the Prospectus

### Actual progress for the Year 2023

— Upgrading the Central Office and setting up a new office	The renovation work of the Central Office had been completed by the end of December 2018 and a new office was relocated to a more spacious office located in New Kowloon Plaza, Hong Kong by the end of August 2020.
— Expanding the workforce	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, email system and existing server configuration, and acquired conference rooms' facilities for serving its customers.



# Directors and Senior Management Profiles

## DIRECTORS

### Mr. Chan Tsang Tieh (陳增鈺)

*Executive Director and Chairman*



**Mr. Chan**, aged 73, is the chairman of the board of directors of the Company (the “**Directors**”, the “**Board**” and the “**Chairman**”, respectively) and an executive Director, responsible for providing strategic advice to our Company and its subsidiaries (the “**Group**”). Mr. Chan was appointed as a Director on 20th May 2016 and was re-designated as an executive Director and appointed as the Chairman on 22nd June 2017. Mr. Chan is also a member of the nomination committee of the Board (the “**Nomination Committee**”) and the sole 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 100%-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**”). During the period from 1986 to 2004, 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. 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 (陳綺媚)

*Executive Director and Chief Executive Officer*



**Mrs. Donati**, aged 49, 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 Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and other relevant laws and regulations. Mrs. Donati is also a member of the remuneration committee of the Board. She was appointed as an executive Director on 22nd June 2017 and as the Chief Executive Officer on 30th June 2017. She joined our Group on 1st 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 over 2 decades 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 Donnelley Financial Solutions Hong Kong Limited (formerly known as 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 (LLB) and a Bachelor of Business Administration in July 1996.

# Directors and Senior Management Profiles



## Mr. Li Wai Ming (李威明)

*Independent Non-executive Director*



**Mr. Li**, aged 53, was appointed as an independent non-executive Director (the “**INED**”) on 15th November 2017. He is primarily responsible for supervising and providing independent judgment to the Board. Mr. Li is also the chairperson of each of our Board’s audit committee (the “**Audit Committee**”) and risk management committee (the “**Risk Management Committee**”).

Mr. Li has about 20 years of experience in the finance industry. From March 1997 to March 1999, Mr. Li worked in leading accounting firms. He held the position of senior finance manager in a company listed on the Stock Exchange before his retirement. Mr. Li also served as an independent non-executive director of China International Development Corporation 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 Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators) in the UK, a member of The Hong Kong Institute of Chartered Secretaries. Mr. Li obtained his master of professional accounting degree in November 2004 from the Hong Kong Polytechnic University.

## Mr. Wan Chun Wai Andrew (尹振偉)

*Independent Non-executive Director*



**Mr. Wan**, aged 68, was appointed as an INED on 15th November 2017. He is primarily responsible for supervising and providing independent judgment to the Board. Mr. Wan is also the chairperson of our Board’s remuneration committee (the “**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 a School Manager of a kindergarten.

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 degree from the University of South Australia in October 2009.

# Directors and Senior Management Profiles

---

## Ms. Chan Chiu Yee Natalie (曾昭怡)

*Independent Non-executive Director*



**Ms. Chan**, aged 37, was appointed as an INED on 15th November 2017. She is primarily responsible for supervising and providing independent judgment to the Board. Ms. Chan is also the chairperson of our Nomination Committee and a member of each of our Audit Committee, Remuneration Committee and Risk Management Committee.

Ms. Chan has over 10 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 degree from Bentley University in the United States in May 2008 as well as her juris doctor degree in December 2010 and her postgraduate certificate in laws in July 2011, both from the Chinese University of Hong Kong.

## COMPANY SECRETARY

## Ms. Cheng Kwai Yee (鄭桂儀)

*Chief Financial Officer and Company Secretary*



**Ms. Cheng**, aged 47, is the company secretary and the Chief Financial Officer of our Company. Ms. Cheng joined the Group in April 2010 and is responsible for overseeing the Group's 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, an educational software service company, from March 2008 to March 2010 mainly responsible for handling accounting matters. 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. 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 degree from the Hong Kong Baptist University in December 1998.

# Directors and Senior Management Profiles



## SENIOR MANAGEMENT

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

### Ms. Cheng Kwai Yee (鄭桂儀)

Chief Financial Officer and Company Secretary



**Ms. Cheng Kwai Yee (鄭桂儀)** is the company secretary and the Chief Financial Officer of our Company.

For the biography of Ms. Cheng, please see the subsection headed "Senior Management" above.

### Ms. Lok Yuen Yu Izabel (駱婉如)

Chief Operations Officer



**Ms. Lok**, aged 51, 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 18 years of experience in the financial printing industry. Ms. Lok was an account servicing director of iOne (Regional) Financial Press Limited from November 2005 to December 2009, mainly responsible for customer services. She served as a customer service executive in Donnelley Financial Solutions Hong Kong Limited (formerly known as Roman Financial Press Limited) 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.

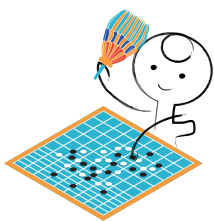
### Ms. Lee Shuk Yee (李淑儀)

Sales Director



**Ms. Lee**, aged 57, 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. 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. She served as an account director in The Design Associates Limited between September 2002 and April 2011, and was primarily responsible for managing customer relationship.

Ms. Lee graduated from the Hong Kong Shue Yan College (currently known as the Hong Kong Shue Yan University) with a diploma from the Department of Journalism in July 1990. In addition, Ms. Lee 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' 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 30th September 2023 (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 28 to the Consolidated Financial Statements of this annual report.

## BUSINESS REVIEW

Further discussion and analysis of the performance of the Group, including a fair review of the business of the Group, an analysis using financial key performance indicators, a discussion of the principal risks and uncertainties faced by the Group and an indication of likely future developments in the Group’s business, can be found in the sections headed “Chairman’s Statement”, “CEO’s Message” and “Management Discussion and Analysis” of this annual report. The financial risk management objectives and policies of the Group are set out in note 33 to the Consolidated Financial Statements of this annual report. Those discussions form part of this report.

## ENVIRONMENTAL POLICIES AND PERFORMANCE

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.

## COMPLIANCE WITH LAWS AND REGULATIONS

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 that have a significant impact on the Group.

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.



# Directors' Report

## RELATIONSHIP WITH STAKEHOLDERS

The Group recognises that employees, customers and business partners are key 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 by providing orientation training for new employees and on-the-job training and organising team building events.

The Group also organises 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. It does not foresee any difficulty in procurement nor has it 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 30th September 2023 and up to the date of this report.

## USE OF NET PROCEEDS FROM LISTING

The shares of the Company (the “**Shares**”) in issue were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**” and the “**Listing**”, respectively) on 2nd February 2018 (the “**Listing Date**”). The net proceeds from the Listing amounted to approximately HK\$28.7 million. Details of the use of such proceeds are set out in the section headed “Management Discussion and Analysis” of this annual 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 59 of this annual report.

## FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for each of the last five financial years is set out on page 104 of this annual report.



# Directors' Report

---

## DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the Year.

## ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company is scheduled to be held on 29th February 2024 (the “**2024 AGM**”). For the purpose of determining those shareholders of the Company (the “**Shareholders**”) who are entitled to attend and vote at the 2024 AGM, the register of members of the Company will be closed from 26th February 2024 to 29th February 2024 (both days inclusive), during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the 2024 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, Union Registrars Limited, Suites 3301–04, 33/F, Two Chinachem Exchange Square 338 King’s Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on 23rd February 2024.

## 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 are set out in note 25 to the Consolidated Financial Statements of this annual report.

## RESERVES

Details of the movements in the reserves of the Group and the Company during the Year are set out in page 61 and page 102 of this annual report, respectively.

## DISTRIBUTABLE RESERVES

As at 30th September 2023, the Company’s reserves available for distribution, calculated in accordance with the provisions of Companies Law of the Cayman Islands, amounted to approximately HK\$32.1 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**”) or 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 Year, 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 are:

### EXECUTIVE DIRECTORS

Mr. Chan Tsang Tieh (*Chairman*)

Mrs. Donati Chan Yi Mei Amy (*Chief Executive Officer*)

### INDEPENDENT NON-EXECUTIVE DIRECTORS (THE “INEDS”)

Mr. Li Wai Ming

Mr. Wan Chun Wai Andrew

Ms. Chan Chiu Yee Natalie

In accordance with article 84(1) of the Articles of Association, Mrs. Donati Chan Yi Mei Amy and Ms. Chan Chiu Yee Natalie shall retire at the 2024 AGM and, being eligible, offered themselves for re-election.

The Company has received annual confirmation in writing 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 (the “**GEM Listing Rules**”). 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.

Information regarding Directors' emoluments and the five highest paid individuals in the Group are set out in notes 11 and 12 to the Consolidated Financial Statements of this annual report, respectively.

# Directors' 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 of the Company, has entered into a letter of appointment with the Company on 16th January 2018 for an initial term of three years commencing on the Listing Date and were automatically renewed upon their expiry on 16th January 2021 for another three years, 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 for a term of three years unless terminated by at least three months' notice in writing served by either party on the other.

None of the Directors proposed for re-election at the 2024 AGM has an unexpired 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 that (i) will or may result in the Company issuing Shares or (ii) require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Group during the Year or existed as at 30th September 2023.

## ARRANGEMENTS FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Year or as at 30th September 2023 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 30th September 2023, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

### LONG POSITION IN THE SHARES

Name of Director	Capacity	Nature of interests	Number of Shares held	Percentage of interest in the Company
Mr. Chan Tsang Tieh (“Mr. Chan”) (Note)	Interest in a controlled corporation	Corporate interest	560,000,000	56.0%

Note: The Company is owned as to 56% 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 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 September 2023, 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.

# Directors' Report

## INTERESTS OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

As at 30th September 2023, 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 interests	Number of Shares held	Percentage of interest in the Company
Achiever Choice (Note)	Beneficial owner	Personal interest	560,000,000	56.0%
Yuen Sin Yee Claudia	Beneficial owner	Personal interest	192,200,000	19.2%

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 September 2023, 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 (the “**Share Option Scheme**”) was approved and conditionally adopted by the then sole shareholder of the Company by way of written resolutions on 16th January 2018. The Share Option Scheme became effective on the Listing Date.

No options were granted, exercised, cancelled or lapsed by the Company under the Share Option Scheme during the year ended 30th September 2023 and there were no outstanding share options under the Share Option Scheme during the period from the Listing Date to 30th September 2023. The number of options available for grant under the Share Option Scheme was 100,000,000 as at 1st October 2022 and as at 30th September 2023.

The principal terms of the Share Option Scheme are set out as follows:

### (1) PURPOSE

The purpose of the Share Option Scheme is to enable the Company to grant options to eligible participants (as stated below) as incentive or reward for their contribution to the Group to subscribe for the Shares, thereby linking their interest with that of the Group.

# Directors' Report



## (2) ELIGIBLE PARTICIPANTS

The eligible participants include employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner of the Company or any subsidiary (including any director of the Company or any subsidiary) who is in full-time or part-time employment with or otherwise engaged by the Company or any subsidiary at the time when an option is granted to such employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner or any person who, in the absolute discretion of the Board, has contributed or may contribute to the Group.

## (3) MAXIMUM NUMBER OF SHARES AVAILABLE FOR ISSUE

The maximum number of Shares in respect of which options may be granted at any time under the Share Option Scheme shall not exceed 100,000,000 Shares.

## (4) MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

Unless approved by the Shareholders in general meeting and subject to the following paragraph, the total number of Shares issued and to be issued upon exercise of the options granted to each grantee (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue.

Where any grant of options to a substantial Shareholder or an INED, or any of his/her/its associates (as defined in the GEM Listing Rules), would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares on the Stock Exchange at the date of each grant, in excess of HK\$5 million,

such further grant of options must be approved by the Shareholders.

## (5) PERIOD WITHIN WHICH THE SHARES MUST BE TAKEN UP UNDER AN OPTION

An option may be exercised at any time during the period to be determined and identified by the Board to each grantee at the time of making an offer for the grant of an option, but in any event no later than 10 years from the date of grant but subject to the early termination of the Share Option Scheme.

## (6) MINIMUM PERIOD FOR WHICH AN OPTION MUST BE HELD BEFORE IT CAN BE EXERCISED

Though there is no specified minimum period under the Share Option Scheme for which an option must be held or the performance target which must be achieved before an option can be exercised under the terms and conditions of the Share Option Scheme, the Directors may make such grant of options, subject to such terms and conditions in relation to the minimum period of such options to be held and/or the performance targets to be achieved as the Directors may determine in their absolute discretion.

# Directors' Report

---

## (7) PERIOD FOR AND CONSIDERATION PAYABLE ON ACCEPTANCE OF AN OPTION

An offer shall be deemed to have been accepted by an eligible participant concerned in respect of all Shares which are offered to such eligible participant when the duplicate letter comprising acceptance of the offer duly signed by the eligible participant, together with a non-refundable remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the offer (which shall not be later than 21 days from, and inclusive of, the date of offer).

## (8) BASIS OF DETERMINING THE EXERCISE PRICE

The subscription price for Shares under the Share Option Scheme shall be determined at the discretion of the Directors but in any event will not be less than the highest of: (a) the closing price of the Shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the offer date of the particular option, which must be a business day; (b) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the offer date of that particular option; and (c) the nominal value of a Share on the offer date of the particular option.

## (9) REMAINING LIFE

The Share Option Scheme shall be valid and effective commencing on the adoption date of the Share Option Scheme until the termination date as provided therein (which being the close of business of the Company on the date which falls ten years from the date of the adoption of the Share Option Scheme), after which period no further options will be granted but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

## 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.

## 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 (a) any business or interest in a business that competed or might compete with the business of the Group and (b) any other conflicts of interest 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 16.9% of the total revenue of the Group for the Year (2022: approximately 14.7%) and the Group's largest customer accounted for approximately 5.7% of the total revenue of the Group for the Year (2022: approximately 3.8%).

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 collectively accounted for approximately 27.8% of the total cost of services of the Group for the Year (2022: approximately 23.4%) and the Group's largest supplier accounted for approximately 8.7% of the total cost of services of the Group for the Year (2022: approximately 5.8%).

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 30th September 2023 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 (as defined in the GEM Listing Rules) 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 16th 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 of the Company dated 23rd January 2018. The audit committee of the Board (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' Report

---

## 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 30th September 2023 or at any time during the Year.

## CHANGE IN DIRECTORS' INFORMATION

The Company is not aware of any change in the Directors' information, which is required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

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

## PERMITTED INDEMNITY

The Articles of Association provide that the Directors shall 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 which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices. Such provisions were in force during the course of the Year and remained in force as of the date of this report.

## MANAGEMENT CONTRACTS

No contracts, other than employment contracts of the Directors and senior management members, 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' Report

---



## DIRECTORS' REMUNERATIONS

The Directors' remuneration is determined by the Board upon the recommendation of its remuneration committee by reference to the Directors' duties, responsibilities and performance and the results of the Group. Details of the remuneration of the 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, 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

During the Year, no charitable donations were made by the Group (2022: HK\$Nil).

## 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 Year 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 Year.

Details of the principal corporate governance practices of the Group are set out in the section headed "Corporate Governance Report" on pages 35 to 51 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 18 of this annual report. The company secretary of the Company is Ms. Cheng Kwai Yee (who is also the Company's Chief Financial Officer). Her biographical details is set out on page 20 of this annual report.

# Directors' Report

---

## REVIEW BY AUDIT COMMITTEE

The audited consolidated financial statements of the Group for the Year and this annual report have been reviewed by the Audit Committee.

## INDEPENDENT AUDITOR

The consolidated financial statements of the Group for the Year have been audited by PKF Hong Kong Limited (“**PKF**”) who was appointed as the auditor of the Company with effect from 14th December 2021 to fill the casual vacancy following the resignation of Martin C.K. Pong & Company.

PKF will retire as the independent auditor of the Company and, being eligible, offer themselves for re-appointment at the forthcoming 2024 AGM. A resolution for their re-appointment will be proposed at the forthcoming 2024 AGM.

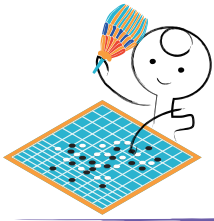
On behalf of the Board

**Chan Tsang Tieh**

*Chairman and Executive Director*

Hong Kong, 15th December 2023





# Corporate Governance Report

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

The Company has complied with all applicable code provisions as set out in the Corporate Governance Code as contained in Appendix 15 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”, the “**GEM Listing Rules**” and the “**CG Code**”, respectively) during the year ended 30th September 2023 (the “**Year**”).

## SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings in the securities as contained 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. 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 Year.

# Corporate Governance Report

---

## 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 (the “**Management**”) 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.

### COMPOSITION

The Company is committed to holding the view that the Board should include a balanced composition of executive Directors and 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.

# Corporate Governance Report



There was no financial, business, family or other material relationship among the Directors during the Year 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 Year, the Company had three INEDs, and has met the requirements of the GEM Listing Rules and that one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise.

The Company has received an annual confirmation of independence in writing from each of the INEDs pursuant to Rule 5.09 of the GEM Listing Rules. 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.

During the Year, the chairman of the Board (the “**Chairman**”), being an executive Director, had held a meeting with the INEDs without the presence of the other executive Director.

## 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.

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 are summarised as follows:

Name of Directors	Type of trainings
Mr. Chan Tsang Tieh	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

# Corporate Governance Report

## MEETINGS OF THE BOARD AND DIRECTORS' ATTENDANCE RECORDS

The Board is scheduled to meet at least 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 thereof is open for the Directors' inspection.

During the Year, four regular Board meetings were held and, amongst other matters, considered and approved the audited consolidated financial statements of the Group for the year ended 30th September 2022 (the “**Year 2022**”) as well as the unaudited condensed consolidated financial statements of the Group for the three months ended 31st December 2022, for the six months ended 31st March 2023 and for the nine months ended 30th June 2023, respectively.

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

Name of Directors	No. of Attendance/ No. of Meetings
Mr. Chan Tsang Tieh	4/4
Mrs. Donati Chan Yi Mei Amy	4/4
Mr. Li Wai Ming	4/4
Mr. Wan Chun Wai Andrew	4/4
Ms. Chan Chiu Yee Natalie	4/4

During the Year, the Company held an annual general meeting (the “**AGM**”) of the Shareholders on 22nd February 2023 (the “**2023 AGM**”) and was attended by all Directors in person or through video conferencing. Mrs. Donati Chan Yi Mei Amy, an executive Director and the chief executive officer of the Company (the “**CEO**”), took the chair of the 2023 AGM in accordance with the Articles of Association to ensure an effective communication with the Shareholders.

## BOARD DIVERSITY POLICY

The Board has adopted a policy of the Board diversity and discussed all measurable objectives set for implementing the same.

# Corporate Governance Report



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 C.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 Year 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 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.

### AUDIT COMMITTEE

The Audit Committee was established on 16th January 2018 with written terms of reference in compliance with the CG Code. Such terms of reference were amended on 28th December 2018. 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 chairperson 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;



# Corporate Governance Report

---

- 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 the Management); and reviewing the draft management letter, any material queries raised by the auditor to the Management in respect of the accounting records, financial accounts or systems of control including the 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 review performed by the Board, ensuring coordination between the Board and external auditors and ensuring that the Board 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 the Management the scope and quality of systems of risk management and internal control and ensuring that the 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 the 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.

During the Year, four Audit Committee meetings were held and the Audit Committee, amongst other matters, considered, reviewed and approved (i) for presentation to the Board for consideration and approval of (a) the draft audited consolidated financial statements of the Group for the Year 2022, unaudited condensed consolidated financial statements of the Group for the three months ended 31st December 2022, for the six months ended 31st March 2023 and for the nine months ended 30th June 2023, respectively; (b) the recommendation of the re-appointment of auditor at the 2023 AGM; and (ii) audit-related matters.

# Corporate Governance Report



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

Name of Directors	No. of Attendance/ No. of Meetings
Mr. Li Wai Ming	4/4
Mr. Wan Chun Wai Andrew	4/4
Ms. Chan Chiu Yee Natalie	4/4

## REMUNERATION COMMITTEE

The Remuneration Committee was established on 16th January 2018 with written terms of reference in compliance with the CG Code. Such terms of reference were amended on 28th December 2022. 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 chairperson 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 as well as employment conditions, responsibilities and individual performance of the Directors, senior management and the general staff of the Group. 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 on the policy and structure for the remuneration of the Directors and senior management of the Company (the “**Senior Management**”) formal and transparent procedure for developing a remuneration policy;
- making recommendations to the Board on the remuneration packages of individual executive Directors and the Senior Management, including benefits in kind, pension rights, compensation payments (including compensation payable for the loss or termination of office or appointment etc.) if considered appropriate;
- making recommendations to the Board on the remuneration of non-executive Directors (including the INEDs);
- considering salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;
- reviewing and approving the compensation payable to executive Directors and the Senior Management for any loss or termination of the office or appointment to ensure that it is consistent with the contractual terms and is otherwise fair and not excessive;

# Corporate Governance Report

- reviewing and approving compensation arrangements relating to the dismissal or removal of Directors for misconduct to ensure that they are consistent with the contractual terms and are otherwise reasonable and appropriate;
- ensuring that no Director or member of the Senior Management or any of their respective associates (as defined in the GEM Listing Rules) is involved in deciding his/her own remuneration;
- determining the criteria for assessing employee performance, which should reflect the Company's business objectives and targets;
- 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; and
- to review and/or approve matters relating to share schemes under Chapter 23 of the GEM Listing Rules.

During the Year, one Remuneration Committee meeting was held, which, amongst other matters, determined the remuneration of the Directors and the Senior Management 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 Year is as follows:

Name of Directors	No. of Attendance/ No. of Meetings
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 16th 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 chairperson 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;
- identifying and nominating appropriate candidates to fill casual vacancies of the Directors for the Board's approval;

# Corporate Governance Report



- 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, 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 Year, one Nomination Committee meeting was held, which, 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 2023 AGM.

The attendance of each Director in the capacity of a member of the Nomination Committee at the meeting during the Year 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

The Company has adopted a nomination policy with the following details:

## Objective

The Nomination Committee shall nominate suitable candidates to the Board to consider and make recommendations to Shareholders for election as a Director at general meeting or appoint as a Director to fill casual vacancy.

## Selection Criteria

The factors listed below would be considered by the Nomination Committee in assessing the proposed candidate:

- Reputation
- Experience in the industry
- Commitment in respect of available time and interest
- Diversity, including but not limited to gender, age (18 years or above), cultural, educational background, professional experience.

The above factors are for reference only; the Nomination Committee has the discretion to nominate any person, as it considers appropriate.

Proposed candidates will need to submit the necessary personal information, together with the written consent to be appointed as a Director.

The Nomination Committee may request candidates to provide additional information and documents, if necessary.

# Corporate Governance Report

---

The Board currently comprises of five Directors, two of which are female. As our diversity philosophy is to avoid a single gender Board, the Board has achieved gender diversity. Two of our Directors are in the age group of 30–49 and three in the age group of 50–80. The Board possesses a balance of skills appropriate for the requirements of the business of the Company. The Directors have a mix of finance, academic and management backgrounds that taken together provide the Company with considerable experience in a range of activities. In view of these, the Nomination Committee was of the opinion that the Board consisted of members with diversified gender, age, cultural and education background, professional/business experience, skills and knowledge. No new Director had been appointed during the year.

## ***Nomination Procedures***

The Nomination Committee shall make recommendations for the Board's consideration and approval. The nominated persons shall not assume that they have been proposed by the Board for election not until the issue of the shareholder circular.

A circular, with the information of the candidates nominated by the Board and invitation of nominations from Shareholders, will then be sent to Shareholders.

The circular will set out the period for Shareholders to make the nominations. The names, independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations, of the proposed candidates will be included in the circular to Shareholders.

Shareholders can serve a notice to the Company Secretary within the period of his/her/its intention to propose a resolution to elect a certain person as a Director, without the Board's recommendation or the Nomination Committee's nomination, other than those candidates set out in the shareholder circular. The particulars of the candidates so proposed will be sent to all Shareholders for information by a supplementary circular.

A candidate is allowed to withdraw his/her candidature at any time before the general meeting at which his/her proposed directorship will be considered by the Shareholders, by serving a written notice to the Company Secretary.

The Board shall have the final decision on all matters relating to its recommendation of candidates.

## **RISK MANAGEMENT COMMITTEE**

The Risk Management Committee was established on 16th 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 chairperson 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;

# Corporate Governance Report



- 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.

During the Year, one Risk Management Committee meeting was held, which, amongst other matters, reviewed the risk management and internal control systems 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 Year 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 A.2.1 of the CG Code, which include:

- developing and reviewing the Company's policies and practices on corporate governance;
- reviewing and monitoring the training and CPD 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.

# Corporate Governance Report

---

## APPOINTMENT AND RE-ELECTION OF DIRECTORS

All the Directors, including the INEDs, are subject to retirement by rotation and eligible for re-election in accordance with the Articles of Association. At each AGM of the Company, one-third of the Directors for the time being (or, if their number 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 of the other Directors subject to retirement by rotation 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 E.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" of this annual report for the Year by band is set out below:

Remuneration band (in HK\$)	Number of individuals
Nil to 1,000,000	4

# Corporate Governance Report



## INDEPENDENT AUDITOR'S REMUNERATION

For the Year, PKF Hong Kong Limited ("PKF") was engaged as the independent auditor of the Company.

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

Services	Fee paid/payable HK\$'000
Audit services	750
Other services	195
Total	945

## 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.

## 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.

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



# Corporate Governance Report

---

## 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 requirements 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;
- 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 Company Secretary are authorised to communicate with parties outside the Group.

## COMPANY SECRETARY

Company Secretary supports the Board by ensuring good information flow within the Board and that the Board policy and procedures are followed. The Company Secretary is responsible for advising the Board on corporate governance matters and facilitating induction and professional development of the Directors. All Directors have access to the advice and services of the Company Secretary to ensure that the Board procedures and all applicable laws, rules and regulations are followed.

Ms. Cheng Kwai Yee (“**Ms. Cheng**”) is the Company Secretary of the Company under the GEM Listing Rules. She meets the qualification requirements for company secretary under Rule 5.14 of the GEM Listing Rules and has taken no less than 15 hours of relevant professional training during the Year pursuant to Rule 5.15 of the GEM Listing Rules.

# Corporate Governance Report



## 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

Pursuant to the Articles of Association, 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 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 two 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.

# Corporate Governance Report

---

## 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, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's 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 chairperson of the appropriate committee; and
3. ordinary business matters, such as suggestions, enquiries and client complaints to the appropriate management of the Company.

## DIVIDEND POLICY

The Board has approved and modified the dividend policy to provide Shareholders with regular dividends (the "**Dividend Policy**"). The Company endeavors to deliver sustainable expectation to the Shareholders and to maintain a prudent capital management.

Under the Dividend Policy, the Board shall take into account the following factors:

- the Company's actual and expected financial performance;
- the retained earnings and distributable reserves of the Company and each of the members of the Group;
- the level of the Group's debts to equity ratio and the return on equity ratio;
- the Group's expected working capital requirements and future expansion plans;
- general economic conditions, business cycle of the Group's business and other internal and external factors that may have impact on the business or financial performance and position of the Company; and
- any other factors that the Board consider appropriate.

The Board will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividend and/or in no way obligate the Company to declare a dividend at any time or from time to time.

Any final dividend declared by the Company must be approved by an ordinary resolution of Shareholders at an AGM and must not exceed the amount recommended by the Board.

# Corporate Governance Report

---



## 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.

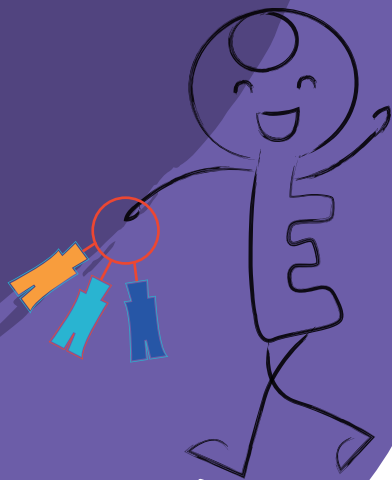
Information will be communicated to the Shareholders through the Company's financial reports, circulars, AGMs and EGMs that may be convened as well as all the published disclosures submitted to the Stock Exchange.

## CONSTITUTIONAL DOCUMENTS

A special resolution has been passed at the 2023 AGM held on 22nd February 2023 to adopt the Amended and Restated Memorandum and Articles of Association of the Company in order to comply with the recent amendments to the GEM Listing Rules.

A copy of the Amended and Restated Memorandum and Articles of Association of the Company is posted on the designated website of the Stock Exchange and the website of the Company.

Financial



Statements



# 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 (collectively referred to as the “Group”) set out on pages 59 to 103, which comprise the consolidated statement of financial position as at 30th September 2023; and 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 for the year then ended; and notes to the consolidated financial statements, including 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 30th September 2023, 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.

# Independent Auditor's Report

---

Key audit matters identified in our audit are summarised as follows:

- Revenue recognition
- Impairment assessment of trade receivable

---

## Key Audit Matter

## How our audit addressed the Key Audit Matter

---

### Revenue recognition

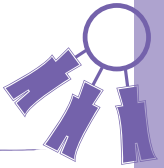
Refer to Note 6(a) (significant accounting judgments and estimates) and Note 8 (revenue) to the consolidated financial statements.

The Group recognised revenue of HK\$46,499,000 from provision of financial printing services for the year ended 30th September 2023.

Revenue from provision of financial printing services is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation at reporting date using input method as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. We identified the recognition of revenue from provision of financial printing services as a key audit matter due to the financial significance of revenue to the consolidated financial statements and the significant management's judgements required in determining the earliest time at which the Group can reasonably measure the outcome of the performance obligation and estimation required for measuring the progress and variable consideration.

Our procedures in relation to revenue recognition mainly included:

- Obtaining an understanding of the processes and testing the Group's internal controls over the recognition of revenue;
- Reviewing signed fee proposals on a sample basis with customers to understand the terms of the provision of financial printing services to assess if the revenue recognition policy applied by the Group is in compliance with HKFRS 15 *Revenue from Contracts with Customers*;
- Assessing the reasonableness of management's judgement applied in determining the earliest time at which the Group can reasonably measure the outcome of the performance obligation and estimation required for measuring the progress and variable consideration;
- Checking the mathematical accuracy of and examining the incurred costs to date by tracing to source documentation on a sample basis and evaluating their recoverability; and
- Examining the supporting documents on a sample basis including the invoices and the correspondences confirming the progress of performance obligation.



# Independent Auditor's Report

## Key Audit Matter

## How our audit addressed the Key Audit Matter

### Impairment assessment of trade receivables

Refer to Note 6(b) (significant accounting judgments and estimates) and Note 18 (trade receivables) to the consolidated financial statements.

As at 30th September 2023, trade receivables recognised by the Group amounted to HK\$24,187,000. The related provision for expected credit losses recognised by the Group amounted to HK\$10,169,000.

Management's judgement is involved in assessing the appropriateness of forward-looking information used for estimating expected credit losses. Management estimated the expected credit losses, based on historical credit loss experience by customers as adjusted for forward-looking information. The impact of economic factors, both current and future, is considered in assessing the likelihood of recovery from customer, where applicable.

We focus on the area due to the financial significance of trade receivables to the consolidated financial statements and the significant management's judgement and estimation involved in assessing the expected credit losses.

Our procedures in relation to impairment assessment of trade receivables mainly included:

- Reviewing management's assessment of the overall policies and procedures in relation to expected credit losses model for estimating impairment provisions and assessing the appropriateness of the model applied by the management;
- Assessing the reasonableness of management's judgement and estimates for expected credit losses by examining the information used by management, including testing accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information; and
- Checking the subsequent settlements made by customers to relevant bank records on a sample basis.



# *Independent Auditor's Report*

---

## **OTHER INFORMATION**

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.

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.

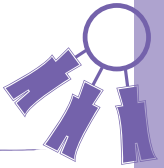
If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE 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 of the Company 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 Audit Committee is responsible for overseeing the Group's financial reporting process.



# Independent Auditor's Report

## 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, in accordance with our agreed terms of engagement 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 HKSAAs 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 HKSAAs, 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.
- 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.

# *Independent Auditor's Report*

---

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, actions taken to eliminate threats or safeguards applied.

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 Wan Tak Shing (Practising Certificate Number: P04844).

**PKF Hong Kong Limited**  
*Certified Public Accountants*

Hong Kong, 15th December 2023



# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30th September 2023

	Notes	2023 HK\$'000	2022 HK\$'000
Revenue	8	46,499	45,395
Cost of services		(23,944)	(22,704)
Gross profit		22,555	22,691
Other income	9	1,623	1,715
Impairment losses under expected credit loss model		(3,937)	—
Selling expenses		(2,604)	(3,271)
Administrative and other operating expenses		(24,574)	(25,263)
Finance costs		(784)	(904)
Loss before tax	10	(7,721)	(5,032)
Income tax credit	13	41	2,251
Loss and total comprehensive expense for the year attributable to owners of the Company		(7,680)	(2,781)
		HK cents	HK cents
<b>Loss per share</b>			
Basic and diluted	15	(0.77)	(0.28)



# Consolidated Statement of Financial Position

As at 30th September 2023

	Notes	As at 30th September	
		2023 HK\$'000	2022 HK\$'000
<b>Non-current Assets</b>			
Property, plant and equipment	16	574	1,367
Right-of-use assets	17	11,062	18,638
Deferred tax assets	24	1,046	1,046
<b>Total Non-current Assets</b>		<b>12,682</b>	21,051
<b>Current Assets</b>			
Trade receivables	18	14,018	12,844
Contract assets	19	217	358
Prepayments, deposits and other receivables	20	2,574	3,046
Fixed deposits	21	49,001	44,668
Cash and cash equivalents	21	11,562	23,810
<b>Total Current Assets</b>		<b>77,372</b>	84,726
<b>Current Liabilities</b>			
Trade payables	22	6,339	5,050
Contract liabilities	19	11,158	11,868
Accruals	23	3,387	3,441
Lease liabilities	17	8,976	8,570
Tax liabilities		—	658
<b>Total Current Liabilities</b>		<b>29,860</b>	29,587
<b>Net Current Assets</b>		<b>47,512</b>	55,139
<b>Total Assets less Current Liabilities</b>		<b>60,194</b>	76,190
<b>Non-current Liability</b>			
Lease liabilities	17	2,737	11,053
<b>Net Assets</b>		<b>57,457</b>	65,137
<b>Capital and Reserves</b>			
Share capital	25	10,000	10,000
Reserves	26	47,457	55,137
<b>Total Equity</b>		<b>57,457</b>	65,137

The consolidated financial statements were approved and authorised for issue by the board of directors on 15th December 2023 and were signed on its behalf by:

**Mr. Chan Tsang Tieh**  
Director

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



# Consolidated Statement of Changes in Equity

For the year ended 30th September 2023

	Share capital HK\$'000 (Note 25)	Share premium HK\$'000 (Note 26(i))	Capital reserve HK\$'000 (Note 26(ii))	Merger reserve HK\$'000 (Note 26(iii))	Retained profits HK\$'000	Total HK\$'000
At 1st October 2021	10,000	36,735	5,074	16	16,093	67,918
Loss and total comprehensive expense for the year	—	—	—	—	(2,781)	(2,781)
At 30th September 2022 and 1st October 2022	10,000	36,735	5,074	16	13,312	65,137
Loss and total comprehensive expense for the year	—	—	—	—	(7,680)	(7,680)
<b>At 30th September 2023</b>	<b>10,000</b>	<b>36,735</b>	<b>5,074</b>	<b>16</b>	<b>5,632</b>	<b>57,457</b>



# Consolidated Statement of Cash Flows

For the year ended 30th September 2023

	Notes	2023 HK\$'000	2022 HK\$'000
<b>Cash Flows from Operating Activities</b>			
Loss before tax		(7,721)	(5,032)
Adjustments for:			
Interest income		(1,410)	(138)
Interest expenses		830	979
Depreciation of property, plant and equipment		866	893
Depreciation of right-of-use assets		8,616	9,621
Losses on written off of property, plant and equipment		101	—
Impairment losses on contract assets and trade receivables		3,937	—
Gain on lease termination		(3)	—
<b>Operating cash flows before movements in working capital</b>		<b>5,216</b>	<b>6,323</b>
Decrease/(increase) in:			
— trade receivables		(4,793)	1,514
— contract assets		(177)	(65)
— prepayments, deposits and other receivables		317	762
(Decrease)/increase in:			
— trade payables		1,289	(2,464)
— contract liabilities		(710)	3,605
— accruals		(169)	(338)
Cash generated from operations		973	9,337
Income tax (paid)/refunded		(617)	1,863
<b>Net cash from operating activities</b>		<b>356</b>	<b>11,200</b>
<b>Cash Flows from Investing Activities</b>			
Placement of fixed deposits		(52,177)	(44,668)
Withdrawal of fixed deposits		47,844	—
Interest received		1,293	138
Purchases of property, plant and equipment		(174)	—
<b>Net cash used in investing activities</b>		<b>(3,214)</b>	<b>(44,530)</b>
<b>Cash Flows from Financing Activities</b>			
Interest paid	27	(777)	(979)
Repayments of principal portion of lease liabilities	27	(8,613)	(7,789)
<b>Net cash used in financing activities</b>		<b>(9,390)</b>	<b>(8,768)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(12,248)</b>	<b>(42,098)</b>
<b>Cash and cash equivalents, at beginning of year</b>		<b>23,810</b>	<b>65,908</b>
<b>Cash and cash equivalents, at end of year</b>	21	<b>11,562</b>	<b>23,810</b>



# 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 20th 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 2nd February 2018.

The Company’s registered office is at the 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 28.

The 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 consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong.

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

The consolidated financial statements have been prepared on a historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are accounted for in accordance with HKFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in HKAS 36 Impairment of Assets (“HKAS 36”).



# Notes to the Consolidated Financial Statements

---

## 3. BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Company 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.

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 over the subsidiaries, 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 Group. 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 of the elements of control described above.

## 4. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

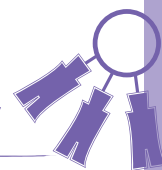
### AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual periods beginning on or after 1 October 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

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

# Notes to the Consolidated Financial Statements



## 4. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs (Continued)

### NEW AND AMENDMENTS TO HKFRSs IN ISSUE BUT NOT YET EFFECTIVE

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

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>3</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>
Amendments to HKAS 12	International Tax Reform-Pillar Two model Rules <sup>1</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>3</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>3</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1st January 2023.

<sup>2</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>3</sup> Effective for annual periods beginning on or 1st January 2024.

<sup>4</sup> Effective for annual periods beginning on or after 1st January 2025.

The directors of the Company anticipate that the application of all other amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

# Notes to the Consolidated Financial Statements

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### IMPAIRMENT OF NON-FINANCIAL ASSETS

Where an indication of impairment exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset'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 profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

### PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated 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 is capitalised in the carrying amount of the asset as a replacement.

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 lives. The principal annual rates used for this purpose are as follows:

Leasehold improvements	20%
Furniture and fixtures	20%
Office equipment	20%
Computer equipment	20%

Residual values, useful lives and the depreciation method are reviewed, and adjusted prospectively 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. 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.

# Notes to the Consolidated Financial Statements



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

### FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 *Revenue from contracts with customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets or financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### *Financial assets*

All recognised financial assets are required to be subsequently measured at amortised cost or fair value on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

#### *Classification of financial assets*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

#### *Amortised cost and effective interest rate*

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

# Notes to the Consolidated Financial Statements

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

### FINANCIAL INSTRUMENTS (Continued)

#### *Financial assets (Continued)*

##### *Impairment of financial assets and contract assets*

The Group performs impairment assessment under expected credit loss (“ECL”) model on trade and other receivables, bank balances and cash, fixed deposits and contract assets which are subject to impairment assessment under HKFRS 9 Financial Instruments (“HKFRS 9”). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

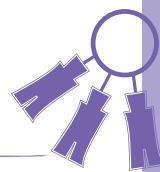
The Group always recognises lifetime ECL for trade receivables and contract assets without significant financing component. For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

##### *Significant increase in credit risk*

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether the credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.



# Notes to the Consolidated Financial Statements

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

### FINANCIAL INSTRUMENTS (Continued)

#### *Financial assets (Continued)*

#### *Impairment of financial assets and contract assets (Continued)*

#### *Significant increase in credit risk (Continued)*

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default; (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of “investment grade” as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

#### *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

#### *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;

# Notes to the Consolidated Financial Statements

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

### FINANCIAL INSTRUMENTS (Continued)

#### *Financial assets (Continued)*

##### *Credit-impaired financial assets (Continued)*

- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

##### *Write-off policy*

The Group writes off a financial asset when there is information indicating that there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

##### *Measurement and recognition of ECL*

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

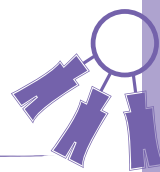
Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exceptions of trade receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

Where ECL is measured on a collective basis to cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.



# Notes to the Consolidated Financial Statements

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

### FINANCIAL INSTRUMENTS (Continued)

#### *Financial assets (Continued)*

##### *Measurement and recognition of ECL (Continued)*

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

#### *Financial liabilities and equity*

##### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recognised at the proceeds received, net of direct issue costs.

##### *Financial liabilities at amortised cost*

Financial liabilities including trade and other payables and accruals are subsequently measured at amortised cost, using the effective interest method.

##### *Derecognition*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents presented on the consolidated statement of cash flows include:

- (a) cash, which comprises of cash on hand and demand deposits; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.



# Notes to the Consolidated Financial Statements

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

### LEASES

A contract is a lease if the contract transfers the right to control the use of an identified asset for a period of time in exchange for a consideration.

#### *The Group as lessee*

The Group recognises a right-of-use asset and a corresponding lease liability in which it is the lessee, except for a lease that has lease term of 12 months or less from the commencement date and does not contain a purchase option. For these leases, the Group recognises the lease payments as expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

#### *Right-of-use assets*

Right-of-use assets should be recognised at cost and comprise the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the Group; and an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. If the Group has an obligation for costs to dismantle, remove or restore the underlying asset to the condition required by the terms and conditions of the lease, provision is recognised and measured under HKAS 37 Provision, Contingent Liabilities and Contingent Assets.

Right-of-use assets are depreciated over the shorter of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Group applies HKAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Impairment of non-financial assets” policy.

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value.

#### *Lease liabilities*

Lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If the rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of lease liability comprise fixed lease payments, including in-substance fixed payments, less any lease incentives receivable.

Lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, using the effective interest method, and by reducing the carrying amount to reflect the lease payments made.



# Notes to the Consolidated Financial Statements

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

### PROVISIONS

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation by the Group, provided that a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised at the date of inception of the lease at the directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

### REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group 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.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

# Notes to the Consolidated Financial Statements

---

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

### REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

#### *Provision of financial printing services*

The Group provides financial printing services under contracts with customers. Such contracts are entered into before the services begin. Revenue from provision of financial printing services is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation using cost-to-cost input method as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

Contract assets arise when the Group has right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. They are assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration.

Contract liabilities arise when the Group has obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

The progress towards complete satisfaction of a performance obligation is measured based on cost-to-cost input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of services.

#### *Variable consideration*

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using the expected value method/the most likely amount, which better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

# Notes to the Consolidated Financial Statements



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

### REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

#### *Principal versus agent*

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

### GOVERNMENT GRANTS

Grants from government are recognised where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs for which the grants are intended to compensate are recognised in the consolidated statement of profit or loss and other comprehensive income as income over the period necessary to match them with the costs they are intended to compensate.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “other income”.

### EMPLOYEE BENEFITS

Salaries, annual bonuses, annual leave entitlements and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group.

The Group operates a defined contribution scheme, the Mandatory Provident Fund retirement benefits scheme (the “**MPF Scheme**”) under the Hong Kong 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 contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group’s 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.

### INCOME TAX

Income tax comprises current and deferred tax and are recognised in profit or loss.

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.

# Notes to the Consolidated Financial Statements

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

### INCOME TAX (Continued)

Deferred tax liabilities are recognised 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, except:

- (1) when the temporary difference arises from the initial recognition of goodwill or an asset or a 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 when the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

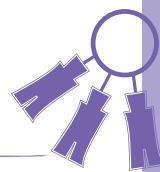
Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax losses can be utilised, except:

- (1) when the deductible temporary difference 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, 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.

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. 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 profits will be available to allow all or part of the asset to be recovered.

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.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption.



# Notes to the Consolidated Financial Statements

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

### FOREIGN CURRENCIES

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 translated into the functional currency at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the 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.

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.

### 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 an associate or a joint venture of a member of a group of which the other entity is a member);
  - (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;

# Notes to the Consolidated Financial Statements

---

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

### RELATED PARTIES (Continued)

(b) (Continued)

- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (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); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

## 6. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

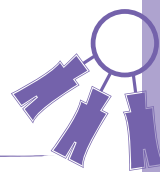
The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

### (a) REVENUE RECOGNITION

The Group recognised revenue from provision of financial printing services only to the extent of the recoverable costs incurred until the Group can reasonably measure the variable consideration and its progress towards complete satisfaction of the performance obligation. Thereafter the revenue is recognised over time by reference to the progress towards complete satisfaction of the performance obligation at the reporting date. Variable consideration is estimated based on the Group's efforts or inputs to the satisfaction of performance obligation according to the contract terms.

Significant judgement and estimates are required in determining whether the Group can measure reasonably the outcome of its performance obligation and the uncertainty associated with the estimation of the progress and variable consideration. Incorrect judgement and estimates would affect the Group's operating performance in future years.



## 6. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

(Continued)

### (b) IMPAIRMENT ASSESSMENT OF TRADE RECEIVABLES

The Group makes allowances on trade receivables based on assumptions about risk of default and expected loss rates. The allowance for trade receivables reflects lifetime ECL i.e. possible default events over the expected life of the trade receivables, weighted by the probability of that default occurring. Judgement has been applied in determining the level of ECL, taking into account the future cash flow for trade receivables including a probability weighted amount determined by evaluating a range of possible outcomes based on the historical credit losses experience by customers, economic factors as well as forward looking estimates in assessing the likelihood of recovery from customer at the end of each reporting period. While the allowance is considered appropriate, changes in estimation basis or in economic conditions could lead to a change in the level of allowance recorded and consequently on the charge or credit to profit or loss.

### (c) DEFERRED TAX ASSET

As at 30th September 2023, a deferred tax asset of HK\$1,046,000 (2022: HK\$1,046,000) in relation to unused tax losses and deductible temporary difference for an operating subsidiary has been recognised in the consolidated statement of financial position. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future, which is a key source of estimation uncertainty. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

### (d) IMPAIRMENT OF NON-FINANCIAL ASSETS

Non-financial assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount or, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rate or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

Details of the impairment of non-financial assets are disclosed in note 16 to the consolidated financial statements.



# *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. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

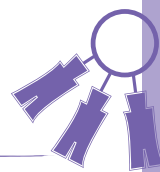
### **GEOGRAPHICAL INFORMATION**

The Group's operations are located in Hong Kong and no non-current assets of the Group are located outside Hong Kong.

### **INFORMATION ABOUT MAJOR CUSTOMERS**

For the year ended 30th September 2023, there is no revenue from customers (2022: Nil) contributing over 10% of the total revenue of the Group. Revenue derived from the top 5 customers contributed 16.9% (2022: 14.7%) of the total revenue of the Group.

# Notes to the Consolidated Financial Statements



## 8. REVENUE

An analysis of revenue from external customers is as follows:

	2023 HK\$'000	2022 HK\$'000
Revenue from contracts with customers and recognised over time		
Provision of financial printing services in Hong Kong	46,499	45,395

The Group elected to apply the practical expedient permitted under HKFRS 15 and not disclose about revenue that the Group will be entitled to when it satisfies the remaining unsatisfied performance obligations as at the end of the reporting period under the contracts that had an original expected duration of one year or less.

The following table shows the amount of revenue from the provision of financial printing services recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2023 HK\$'000	2022 HK\$'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period	3,183	1,805

## 9. OTHER INCOME

	2023 HK\$'000	2022 HK\$'000
Bank interest income	1,410	138
Government grants under Employment Support Scheme	129	1,298
Gain on lease termination	3	—
Exchange gain	—	88
Sundry income	81	191
	1,623	1,715

# Notes to the Consolidated Financial Statements

## 10. LOSS BEFORE TAX

Loss for the year from continuing operations has been arrived at after charging:

	2023 HK\$'000	2022 HK\$'000
Auditor's remuneration	750	800
Depreciation of property, plant and equipment	866	893
Depreciation of right-of-use assets included in:		
— cost of services	573	584
— administrative and other operating expenses	8,043	9,037
	8,616	9,621
Salaries and allowances (excluding directors' remuneration)	19,180	19,816
Contributions to MPF Scheme (Note 1)	810	827
	19,990	20,643
Interest on lease liabilities included in:		
— cost of services	46	75
— finance costs	784	904
	830	979
Loss on written off of property, plant and equipment	101	—
Expenses relating to short-term leases	495	85

Note 1: The Group contributes 5% of relevant payroll costs to the MPF Scheme, contribution of which is matched by employees. The maximum monthly amount of contribution is limited to HK\$1,500 per employee. During the years ended 30th September 2023 and 2022, the Group had no forfeited contributions under the MPF Scheme which may be used by the Group to reduce existing level of contributions as described in paragraph 18.34(2) of the Listing Rules. No forfeited contributions were also available at 30th September 2023 and 2022 for the Group to reduce contribution payables in future years, if applicable.

# Notes to the Consolidated Financial Statements



## 11.DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance is as follows:

	Year ended 30th September 2023				
	Fees HK\$'000	Salaries, allowances, and benefits in kind HK\$'000	Performance related bonuses HK\$'000	MPF Scheme contributions HK\$'000	Total HK\$'000
<b>Executive directors</b>					
Mr. Chan Tsang Tieh	240	—	—	—	240
Mrs. Donati Chan Yi Mei Amy (also as chief executive)	120	1,650	—	18	1,788
	360	1,650	—	18	2,028
<b>Independent non-executive directors</b>					
Mr. Li Wai Ming	60	—	—	—	60
Mr. Wan Chun Wai Andrew	60	—	—	—	60
Ms. Chan Chiu Yee Natalie	60	—	—	—	60
	180	—	—	—	180
	540	1,650	—	18	2,208

	Year ended 30th September 2022				
	Fees HK\$'000	Salaries, allowances, and benefits in kind HK\$'000	Performance related bonuses HK\$'000	MPF Scheme contributions HK\$'000	Total HK\$'000
<b>Executive directors</b>					
Mr. Chan Tsang Tieh	240	—	—	—	240
Mrs. Donati Chan Yi Mei Amy (also as chief executive)	120	1,730	—	18	1,868
	360	1,730	—	18	2,108
<b>Independent non-executive directors</b>					
Mr. Li Wai Ming	60	—	—	—	60
Mr. Wan Chun Wai Andrew	60	—	—	—	60
Ms. Chan Chiu Yee Natalie	60	—	—	—	60
	180	—	—	—	180
	540	1,730	—	18	2,288

# Notes to the Consolidated Financial Statements

## 11.DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

(Continued)

Other than the independent non-executive directors' emoluments shown above which were for their services as director of the Company, the emoluments shown above were for their services in connection with the management of the affairs and as directors of the Company and its subsidiaries, if applicable.

There was no arrangement under which a director or the chief executive 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.

## 12.FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included one (2022: one) director who is also the chief executive, details of whose remuneration are set out in Note 11 above. Details of the remuneration for the year of the remaining 4 (2022: 4) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2023 HK\$'000	2022 HK\$'000
Salaries, allowances and benefits in kind	2,689	2,715
MPF Scheme contributions	71	72
	2,760	2,787

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

	2023	2022
Nil to HK\$1,000,000	4	4

During the year, no remuneration was paid by the Group to the non-director and non-chief executive highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

# Notes to the Consolidated Financial Statements



## 13. INCOME TAX CREDIT

No provision for Hong Kong profits tax has been made as the Group has available tax losses brought forward from prior years to offset the assessable profits generated in preceding year and did not have any estimated assessable profits generated for the current year.

	2023 HK\$'000	2022 HK\$'000
Current — Hong Kong		
Charge for the year	—	—
Over-provision in previous years	(41)	(1,205)
	(41)	(1,205)
Deferred tax (Note 24)		
Current year	—	(1,046)
	(41)	(2,251)

The tax credit for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2023 HK\$'000	2022 HK\$'000
Loss before tax	(7,721)	(5,032)
Tax at Hong Kong profits tax rate of 16.5% (2022: 16.5%)	(1,274)	(830)
Income not subject to tax	(234)	(212)
Expenses not deductible for tax purpose	—	10
Unrecognised temporary differences	881	29
Temporary differences previously not recognised	(13)	(420)
Tax losses not recognised	779	377
Tax losses utilised	(139)	—
Over-provision in previous years	(41)	(1,205)
Income tax credit	(41)	(2,251)

# Notes to the Consolidated Financial Statements

## 14.DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 30th September 2023 (2022: Nil) nor has any dividend been proposed since the end of the reporting period (2022: Nil).

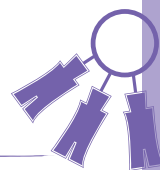
## 15.LOSS PER SHARE

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

	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
Loss:		
Loss for the year attributable to owners of the Company	<b>(7,680)</b>	(2,781)
	<b>2023</b> <b>'000</b>	2022 '000
Number of shares:		
Weighted average number of ordinary shares	<b>1,000,000</b>	1,000,000
	<b>HK cents</b>	HK cents
Basic and diluted loss per share	<b>(0.77)</b>	(0.28)

The diluted loss per share is equal to the basic loss per share as the Group had no potentially dilutive ordinary shares in issue during the years ended 30th September 2023 and 2022.

# 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>Cost:</b>					
At 1st October 2021, 30th September 2022 and 1st October 2022	6,821	619	875	3,858	12,173
Additions	—	—	58	116	174
Written off	(195)	(69)	(28)	(10)	(302)
<b>At 30th September 2023</b>	<b>6,626</b>	<b>550</b>	<b>905</b>	<b>3,964</b>	<b>12,045</b>
<b>Accumulated depreciation:</b>					
At 1st October 2021	5,542	416	603	3,352	9,913
Charge for the year	539	95	108	151	893
At 30th September 2022 and 1st October 2022	6,081	511	711	3,503	10,806
Charge for the year	532	91	105	138	866
Written back	(114)	(64)	(17)	(6)	(201)
<b>At 30th September 2023</b>	<b>6,499</b>	<b>538</b>	<b>799</b>	<b>3,635</b>	<b>11,471</b>
<b>Net carrying value:</b>					
<b>At 30th September 2023</b>	<b>127</b>	<b>12</b>	<b>106</b>	<b>329</b>	<b>574</b>
At 30th September 2022	740	108	164	355	1,367

## IMPAIRMENT ASSESSMENT

The management of the Group concluded there was indication for impairment and conducted impairment assessment on its property, plant and equipment and right-of-use assets, which are belong to the same cash-generating unit.

Based on the result of the assessment, the management of the Group determined that the recoverable amount of the cash-generating unit is higher than the carrying amount and no impairment is recognised.



# Notes to the Consolidated Financial Statements

## 17.LEASES

### (i) RIGHT-OF-USE ASSETS

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

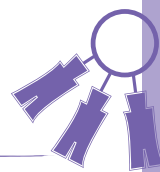
	Leased premises HK\$'000	Office equipment HK\$'000	Total HK\$'000
At 1st October 2021	3,170	1,614	4,784
Additions	23,475	—	23,475
Depreciation charge for the year	(9,037)	(584)	(9,621)
At 30th September 2022 and 1st October 2022	17,608	1,030	18,638
Additions	439	632	1,071
Depreciation charge for the year	(8,043)	(573)	(8,616)
Termination	—	(31)	(31)
<b>At 30th September 2023</b>	<b>10,004</b>	<b>1,058</b>	<b>11,062</b>

For both years, the Group leases an office, warehouse and equipment for its operations. Lease contracts for leased premises are entered into for fixed term of 1 to 3 years (2022: 1 to 3 years) while lease of equipment generally have lease terms of 5 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The total cash outflow for leases was HK\$9,885,000 (2022: HK\$8,853,000).

The impairment assessment of right-of-use assets is set out in Note 16.

# Notes to the Consolidated Financial Statements



## 17. LEASES (Continued)

### (ii) LEASE LIABILITIES

The lease liabilities are payable:

	2023 HK\$'000	2022 HK\$'000
<b>Current</b>		
Within one year	8,976	8,570
<b>Non-current</b>		
More than one year but not later than two years	2,343	8,835
More than two years but not later than five years	394	2,218
	2,737	11,053
	11,713	19,623

The maturity analysis of lease liabilities is disclosed in Note 33 to the financial statements.

### (iii) The amount recognised in profit or loss in relation to leases are as follows:

	2023 HK\$'000	2022 HK\$'000
Depreciation of right-of-use assets	8,616	9,621
Interest on lease liabilities	777	979
Interest on provision for reinstatement	53	—
Expense relating to short-term leases	495	85
Gain on lease termination	(3)	—
Total amount recognised in profit or loss	9,938	10,685

### (iv) The incremental borrowing rate applied to lease liabilities was 5.25% (2022: 5.25%).

# Notes to the Consolidated Financial Statements

## 18. TRADE RECEIVABLES

	2023 HK\$'000	2022 HK\$'000
Trade receivables		
— contract with customers	24,187	19,394
Less: Allowance for credit losses	(10,169)	(6,550)
	14,018	12,844

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 allowance for credit losses, is as follows:

	2023 HK\$'000	2022 HK\$'000
Within 30 days	5,910	6,808
31 to 60 days	4,094	841
61 to 90 days	1,061	1,125
91 to 180 days	2,366	3,083
181 days to 1 year	480	462
Over 1 year	107	525
	14,018	12,844

The movements in the lifetime ECL for trade receivables are as follows:

	2023 HK\$'000	2022 HK\$'000
At beginning of year	6,550	6,550
Impairment losses recognised	3,619	—
At end of year	10,169	6,550

# Notes to the Consolidated Financial Statements



## 19.CONTRACT ASSETS/CONTRACT LIABILITIES

### CONTRACT ASSETS

	2023 HK\$'000	2022 HK\$'000
Contract assets	3,554	3,377
Less: allowance for credit losses	(3,337)	(3,019)
Contract assets, net	217	358

Contract assets are initially recognised for revenue earned from the provision of financial printing services as the receipt of consideration is conditional on the Group's future performance. Upon the rights to consideration become unconditional, the amounts recognised as contract assets are reclassified to trade receivables.

Typical payment terms which impact on the amount of contract assets recognised are as follows:

The Group's provision of financial printing service contracts include payment schedules which require stage payments over the service period once certain specified milestones are reached. The Group requires certain customers to provide upfront payment range from 10% to 40% (2022: 10% to 40%) of total contract sum as part of its credit risk management policies and this has resulted in a contract liability at early stage of the services.

The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

The Group's trading terms and credit policy with customers are disclosed in Note 18 to the financial statements.

The movements in the lifetime ECL contract assets are as follows:

	2023 HK\$'000	2022 HK\$'000
At beginning of year	3,019	3,019
Impairment losses recognised	318	—
At end of year	3,337	3,019

# Notes to the Consolidated Financial Statements

## 19.CONTRACT ASSETS/CONTRACT LIABILITIES (Continued)

### CONTRACT LIABILITIES

	2023 HK\$'000	2022 HK\$'000
Provision for financial printing services		
Billings in advance of performance	11,158	11,868

All contract liabilities are expected to be settled within the Group's normal operating cycle, and are classified as current liabilities.

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

When the Group receives an advance payment before the financial printing services commence, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the advance payment.

## 20.PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2023 HK\$'000	2022 HK\$'000
Prepayments	185	305
Rental and other deposits	2,389	2,741
	2,574	3,046

# Notes to the Consolidated Financial Statements



## 21. BANK BALANCES AND CASH/FIXED DEPOSITS

	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
Cash and bank balances	<b>6,882</b>	13,319
Fixed deposits	<b>53,681</b>	55,159
	<b>60,563</b>	68,478

Cash and bank balances earn interests at floating rates based on daily bank deposit rates. Time deposits of HK\$49,001,000 (2022: HK\$44,668,000) carry fixed interest rate of 3.45%–5.05% (2022: 1.5%–3.15%) and are made for a maturity period of more than 3 months when placed. The remaining time deposits HK\$4,680,000 (2022: HK\$10,491,000) carries fixed interest rate of 4.7%–4.73% (2022: 0.7%) and are made for periods of not more than 3 months.

## 22. TRADE PAYABLES

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

	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
Within 30 days	<b>2,014</b>	1,418
31 to 60 days	<b>952</b>	635
61 to 90 days	<b>385</b>	15
91 to 180 days	<b>284</b>	522
181 days to 1 year	<b>35</b>	755
Over 1 year	<b>2,669</b>	1,705
	<b>6,339</b>	5,050

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

# Notes to the Consolidated Financial Statements

## 23.ACCRUALS

	2023 HK\$'000	2022 HK\$'000
Accrued commission	800	922
Accrued auditor's remuneration	750	800
Others — Note	1,837	1,719
	<b>3,387</b>	<b>3,441</b>

Note: It includes a provision for reinstatement cost of HK\$1,518,000 (2022: HK\$1,403,000) related to the leased premises.

## 24.DEFERRED TAX

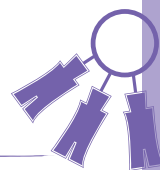
The following are the major deferred tax assets recognized and movement thereon during the current and prior years.

	Decelerated depreciation allowance HK\$'000	Tax loss HK\$'000	Total HK\$'000
At 1st October 2021	—	—	—
Charge for the year — Note 13	505	541	1,046
<b>At 30th September 2022, 1st October 2022 and 30th September 2023</b>	<b>505</b>	<b>541</b>	<b>1,046</b>

At the end of the reporting period, the Group has unused tax losses of approximately HK\$15,433,000 (2022: HK\$11,551,000) available indefinitely for offset against future profits of the companies in which the losses arose. A deferred tax asset has been recognised in respect of approximately HK\$3,277,000 (2022: HK\$3,277,000) of such losses as at the year ended. No deferred tax asset has been recognized in respect of the remaining approximately HK\$12,156,000 (2022: HK\$8,274,000) due to the unpredictability of future profit streams.

At the end of the reporting period, the Group has deductible temporary differences of HK\$17,968,000 (2022: HK\$12,629,000). No deferred tax asset (2022: HK\$505,000) has been recognised in relation to such deductible temporary difference during the year due to the unpredictability of future profit streams.

# Notes to the Consolidated Financial Statements



## 25.SHARE CAPITAL

	Number of ordinary shares '000	Share capital HK\$'000
Authorised: Ordinary shares of HK\$0.01 each		
At 1st October 2021, 30th September 2022 and 2023	5,000,000	50,000
Issued and fully paid: At 1st October 2021, 30th September 2022 and 2023	1,000,000	10,000

## 26.RESERVES

### (I) SHARE PREMIUM

The share premium represents the excess of the proceeds received from the capitalisation issue and the initial public offering over the nominal value of the Company's shares issued.

### (II) CAPITAL RESERVE

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

### (III) MERGER RESERVE

The merger reserve represents the difference between the nominal value of new shares of the Company issued for the exchange of the issued shares of the subsidiary under a reorganisation and the carrying amount of its share of the subsidiary's own equity items.

## 27.NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (A) MAJOR NON-CASH TRANSACTIONS

During the year ended, the Group recognised right-of-use assets and lease liabilities of HK\$1,071,000 (2022: HK\$23,475,000) and HK\$737,000 (2022: HK\$22,396,000), respectively, in respect of new lease arrangements for leased premises and office equipment.



# Notes to the Consolidated Financial Statements

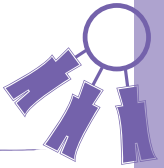
## 27. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

### (B) CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities	
	2023 HK\$'000	2022 HK\$'000
At 1st October	19,623	5,016
Changes from financing cash flows	(9,390)	(8,768)
New leases entered	737	22,396
Termination	(34)	—
Interest expenses	777	979
At 30th September	11,713	19,623

## 28. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Name	Place of incorporation/ operation	Issued/ registered capital	Percentage of equity interest attributable to the Company		Principal activities
			2023	2022	
<b>Directly held:</b>					
Top Achiever Global Limited	British Virgin Islands ("BVI")	United States dollars ("US\$") 1	100%	100%	Investment holding
<b>Indirectly held:</b>					
High Strength Limited	BVI	US\$1,000	100%	100%	Investment holding
High Data Limited	BVI	US\$1,000	100%	100%	Investments holding
EDICO Financial Press Services Limited	Hong Kong ("HK")	HK\$11,080,000	100%	100%	Provision of financial printing services and investment holding
TOD Translation Services Limited	HK	HK\$10,000	100%	100%	Provision of translation services to the Group
Huge Alliance Limited	HK	HK\$500,000	100%	100%	Provision of management service to the Group
ORTUS Solutions Limited	HK	HK\$1	100%	100%	Inactive



# Notes to the Consolidated Financial Statements

## 29. CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 30th September 2023 and 2022.

## 30. RELATED PARTIES TRANSACTIONS

- (a) The Group had no transactions with related parties during the years ended 30th September 2023 and 2022.
- (b) Compensation of key management personnel of the Group.

The remuneration of directors and other members of key management during the year are set out in Notes 11 and 12 to the consolidated financial statements.

## 31. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	2023 HK\$'000	2022 HK\$'000
<b>Financial assets</b>		
At amortised cost	76,970	84,063
<b>Financial liabilities</b>		
At amortised cost	8,208	7,088

## 32. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments were reasonably approximate to their fair values as at 30th September 2023 and 2022.

# Notes to the Consolidated Financial Statements

---

## 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise trade receivables, rental deposits, cash and bank balance, fixed deposits, trade payables, accruals and lease liabilities.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The directors of the Company review policies for managing and monitoring each of these risks and they are summarised below.

### INTEREST RATE RISK

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank balances with floating interest rates. The Group's fixed deposits and lease liabilities carry fixed 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 most of the transactions are denominated in HK\$ except for certain contract sum denominated in US\$. Most of the Group's assets and liabilities are denominated in HK\$, except for certain trade receivables which were denominated in US\$ and certain cash on hand and bank balances which were denominated in US\$, Taiwan Dollar, Renminbi and Sterling Pound.

Since HK\$ is pegged to US\$ and bank balances denominated in other foreign currencies 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

The Group's credit risk is primarily attributable to trade receivables, contract assets, rental deposits, and cash and bank balances and fixed deposits. The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge a contractual obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position at the end of each of the reporting period.

The credit risk for cash and bank balances and fixed deposits is considered limited as such amounts are placed in reputable banks with high credit rating assigned by international credit rating agencies.

Rental deposits are available for netting off its leases payment in case of default by the counterparties. The Group assessed the ECL for rental deposits are insignificant.

# Notes to the Consolidated Financial Statements



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

### CREDIT RISK (Continued)

In order to minimise the credit risk on trade receivables and contract assets, the management of the Group has delegated a team responsible for determination of credit limits and assessing credit quality of the customers. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. The credit quality of the debtors is assessed based on their financial position, past experience and other factors. The Group has policies in place to ensure credit terms are granted to reliable debtors. In addition, the Group performs impairment assessment at the end of each of the reporting period to ensure that adequate impairment losses are made on trade receivables (on a collective basis) and contract assets (on an individual basis). Impairment of HK\$3,619,000 (2022: Nil) and HK\$318,000 (2022: Nil) is recognised on trade receivables and contract assets, respectively during the year.

Details of the quantitative disclosures are set out below in this note.

### TRADE RECEIVABLES AND CONTRACT ASSETS

An impairment analysis is performed at each reporting date using a provision matrix within lifetime ECL. The provision rates for the measurement of lifetime ECL of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customers base. The provision rates of trade receivables are based on days past due of trade receivables. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than two years.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix.

#### Trade receivables

	Past due						Total
	Current	1–90 days	91–180 days	181–279 days	280–365 days	Over 1 year	
<b>As at 30th September 2023</b>							
Expected credit loss rate	10%	38%	38%	74%	74%	100%	
Gross carrying amount (HK\$'000)	11,156	4,423	1,385	897	691	5,635	24,187
Expected credit losses (HK\$'000)	1,158	1,665	532	666	513	5,635	10,169
<b>As at 30th September 2022</b>							
Expected credit loss rate	8%	22%	25%	44%	85%	100%	
Gross carrying amount (HK\$'000)	8,356	5,504	693	510	601	3,730	19,394
Expected credit losses (HK\$'000)	695	1,212	175	225	513	3,730	6,550

# Notes to the Consolidated Financial Statements

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

### LIQUIDITY RISK

In the management of liquidity risk, the Group's policy is to regularly monitor current and expected liquidity requirements on the basis of the maturity of both its financial assets and liabilities and to ensure that it maintains sufficient reserves of cash.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on its remaining contractual undiscounted cash flows and the earliest date on which the Group can be required to pay, was as follows:

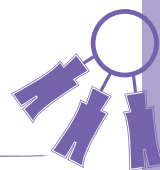
	2023 HK\$'000	2022 HK\$'000
Within 1 year		
Trade payables	6,339	5,050
Accruals	1,869	2,038
Lease liabilities	9,331	9,395
	17,539	16,483
More than 1 year but less than 2 years		
Lease liabilities	2,377	9,204
More than 2 years but less than 5 years		
Lease liabilities	425	2,237
	20,341	27,924

## 34. 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, share buy-backs 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 during the years ended 30th September 2023 and 2022.

# Notes to the Consolidated Financial Statements



## 35.STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2023 HK\$'000	2022 HK\$'000
<b>Non-current Asset</b>		
Investment in a subsidiary	—	—
<b>Current Assets</b>		
Prepayments	72	184
Amounts due from subsidiaries	21,350	23,006
Fixed deposits	20,000	23,000
Bank balances	1,371	1,346
	42,793	47,536
<b>Current Liability</b>		
Accruals	652	757
<b>Net Current Assets</b>	42,141	46,779
<b>Net Assets</b>	42,141	46,779
<b>Capital and Reserves</b>		
Share capital	10,000	10,000
Reserves	32,141	36,779
<b>Total Equity</b>	42,141	46,779

The Company's statement of financial position was approved and authorised for issue by the board of directors on 15th December 2023 and were signed on its behalf by:

**Mr. Chan Tsang Tieh**  
Director

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

# Notes to the Consolidated Financial Statements

## 35.STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

Movement in the Company's reserves is as follows:

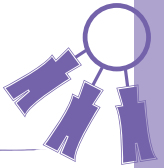
	Share premium HK\$'000 (Note 26(i))	Retained profits/ (accumulated losses) HK\$'000	Total HK\$'000
At 1st October 2021	36,735	114	36,849
Loss and total comprehensive expense for the year	—	(70)	(70)
At 30th September 2022 and 1st October 2022	36,735	44	36,779
Loss and total comprehensive expense for the year	—	(4,638)	(4,638)
<b>At 30th September 2023</b>	<b>36,735</b>	<b>(4,594)</b>	<b>32,141</b>

## 36.EQUITY-SETTLED SHARE OPTION SCHEME OF THE COMPANY

The Company's share option scheme (the "**Scheme**") was adopted pursuant to a resolution passed on 16th January 2018 for the primary purpose of providing incentives to directors and eligible employees, and will expire in ten years.

Under the Scheme, the directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to adviser, consultant, service provider, agent, customer, partner or joint-venture partner or any person who, in the absolute discretion of the board of directors, has contributed or may contribute to the Group.

The total number of shares in respect of which options may be granted under the Scheme and any other share option schemes of the Group is not permitted to exceed 100,000,000 shares of the Company. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.



## **36.EQUITY-SETTLED SHARE OPTION SCHEME OF THE COMPANY** (Continued)

Options granted to substantial shareholders or independent non-executive directors or his/her/its associates (as defined in the Listing Rule), in excess of 0.1% of the Company's share capital and with a value in excess of HK\$5,000,000 based on the closing price of the shares of the Company at the date of grant, must be approved in advance by the Company's shareholders.

Options granted must be taken up within 21 days of the date of grant, upon payment of HK\$1 per option. Options may be exercised at any time during the period determined by the directors of the Company at the time of grant but no later than the 10 anniversary of the date of grant. The exercise price is determined by the directors of the Company, and will not be less than the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share on the date of grant.

There is no option granted since adoption of the Scheme.





# Financial Summary

## RESULTS

	For the year ended 30th September				
	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000	2019 HK\$'000
Revenue	46,499	45,395	57,532	81,971	62,929
Cost of services	(23,944)	(22,704)	(27,944)	(37,634)	(35,533)
Gross profit	22,555	22,691	29,588	44,337	27,396
Other income	1,623	1,715	2,058	2,619	843
Selling expenses	(2,604)	(3,271)	(3,625)	(2,690)	(4,045)
Administrative and other operating expenses	(28,511)	(25,263)	(29,319)	(31,953)	(34,223)
Finance costs	(784)	(904)	(511)	(1,051)	—
(Loss)/profit before tax	(7,721)	(5,032)	(1,809)	11,262	(10,029)
Income tax credit	41	2,251	80	—	50
(Loss)/profit and total comprehensive (expense)/income for the year attributable to owners of the Company	(7,680)	(2,781)	(1,729)	11,262	(9,979)

	As at 30th September				
	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000	2019 HK\$'000
<b>Assets and Liabilities</b>					
Total assets	90,054	105,777	91,411	105,776	100,374
Total liabilities	32,597	40,640	23,493	36,129	41,989
Total capital and reserves	57,457	65,137	67,918	69,647	58,385

The summary of the consolidated results and the assets and the liabilities of the Group for the last five financial years is extracted from the published audited consolidated financial statements.



8/F., Wheelock House, 20 Pedder Street, Central, Hong Kong  
香港中環畢打街 20 號會德豐大廈 8 樓  
Website 網站 : <http://www.edico.com.hk>



鉅京控股有限公司\*

(Incorporated in the Cayman Islands with limited liability)

Stock code : 8450



\* For identification purpose only



 **MIX**  
Paper from  
responsible sources  
**FSC™ C127090**

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

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

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

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 Interim Results
- 03 Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 04 Condensed Consolidated Statement of Financial Position
- 05 Condensed Consolidated Statement of Changes in Equity
- 06 Condensed Consolidated Statement of Cash Flows
- 07 Notes to the Condensed Consolidated Financial Statements
- 15 Management Discussion and Analysis
- 21 Corporate Governance and Other Information



# Financial Highlights



The Group's unaudited revenue for the six months ended 31st March 2023 amounted to approximately HK\$13.1 million, decreased by approximately 5.1% as compared to that of the same period in 2022.



The Group's unaudited gross profit for the six months ended 31st March 2023 amounted to approximately HK\$4.9 million, decreased by approximately 5.8% as compared to that of the same period in 2022.



The Group recorded an unaudited net loss of approximately HK\$7.5 million and approximately HK\$9.1 million for the six months ended 31st March 2023 and 2022 respectively.



The basic loss per share for the six months ended 31st March 2023 was HK0.75 cent (six months ended 31st March 2022: HK0.91 cent).



The board of Directors (the “**Board**”) has resolved not to declare the payment of any dividend for the six months ended 31st March 2023 (six months ended 31st March 2022: HK\$Nil).



# Interim Results

The Board announces the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively the “**Group**”) for the six months and three months ended 31st March 2023, together with the relevant comparative unaudited/audited figures.

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the three months and six months ended 31st March 2023

	Note	For the three months ended 31st March		For the six months ended 31st March	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	3	5,297	6,242	13,123	13,765
Cost of services		(3,669)	(4,008)	(8,221)	(8,587)
Gross profit		1,628	2,234	4,902	5,178
Other income		425	99	644	127
Selling expenses		(555)	(797)	(1,074)	(1,564)
Administrative expenses		(5,875)	(6,111)	(11,535)	(12,495)
Finance costs		(209)	(330)	(443)	(360)
Loss before tax		(4,586)	(4,905)	(7,506)	(9,114)
Income tax	5	—	—	—	—
Loss and total comprehensive loss for the period attributable to the owners of the Company	6	(4,586)	(4,905)	(7,506)	(9,114)
		HK cent	HK cent	HK cent	HK cent
Loss per share					
Basic and diluted	8	(0.46)	(0.49)	(0.75)	(0.91)



# Condensed Consolidated Statement of Financial Position

As at 31st March 2023

	Note	As at 31st March 2023 HK\$'000 (Unaudited)	As at 30th September 2022 HK\$'000 (Audited)
<b>Non-current Assets</b>			
Property, plant and equipment	9	994	1,367
Right-of-use assets	10	14,436	18,638
Deferred tax assets		1,046	1,046
<b>Total Non-current Assets</b>		<b>16,476</b>	21,051
<b>Current Assets</b>			
Trade receivables	11	5,709	12,844
Contract assets		392	358
Prepayments, deposits and other receivables		3,057	3,046
Fixed deposits		37,409	44,668
Cash and cash equivalents		27,420	23,810
<b>Total Current Assets</b>		<b>73,987</b>	84,726
<b>Current Liabilities</b>			
Trade payables	12	3,261	5,050
Contract liabilities		12,147	11,868
Accruals		2,030	3,441
Lease liabilities	10	8,710	8,570
Tax liabilities		—	658
<b>Total Current Liabilities</b>		<b>26,148</b>	29,587
<b>Net Current Assets</b>		<b>47,839</b>	55,139
<b>Total Assets less Current Liabilities</b>		<b>64,315</b>	76,190
<b>Non-current Liability</b>			
Lease liabilities	10	6,684	11,053
<b>Net Assets</b>		<b>57,631</b>	65,137
<b>Capital and Reserves</b>			
Share capital	13	10,000	10,000
Reserves		47,631	55,137
<b>Total Equity</b>		<b>57,631</b>	65,137





# Condensed Consolidated Statement of Changes in Equity

For the six months ended 31st March 2023

	Share Capital HK\$'000	Share Premium HK\$'000	Capital Reserve HK\$'000	Merger Reserve HK\$'000	Retained Profits HK\$'000	Total HK\$'000
(Unaudited)						
As at 1st October 2022	10,000	36,735	5,074	16	13,312	65,137
Loss and total comprehensive loss for the period	—	—	—	—	(7,506)	(7,506)
<b>As at 31st March 2023</b>	<b>10,000</b>	<b>36,735</b>	<b>5,074</b>	<b>16</b>	<b>5,806</b>	<b>57,631</b>
(Unaudited)						
As at 1st October 2021	10,000	36,735	5,074	16	16,093	67,918
Loss and total comprehensive loss for the period	—	—	—	—	(9,114)	(9,114)
As at 31st March 2022	10,000	36,735	5,074	16	6,979	58,804



# Condensed Consolidated Statement of Cash Flows

For the six months ended 31st March 2023

	Six months ended 31st March	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
<b>Net cash from operating activities</b>	<b>665</b>	1,981
<b>Cash Flows from Investing Activities</b>		
Withdrawal of fixed deposits	7,259	—
Interest received	449	55
Purchase of property, plant and equipment	(65)	—
<b>Net cash from investing activities</b>	<b>7,643</b>	55
<b>Cash Flows from Financing Activities</b>		
Repayments of interest element of lease liabilities	(469)	(401)
Repayments of principal element of lease liabilities	(4,229)	(5,152)
<b>Net cash used in financing activities</b>	<b>(4,698)</b>	(5,553)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,610</b>	(3,517)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>23,810</b>	65,908
<b>Cash and cash equivalents at the end of the period</b>	<b>27,420</b>	62,391



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 31st March 2023

## 1. GENERAL INFORMATION

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

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

The unaudited condensed consolidated financial statements of the Group for the six months ended 31st March 2023 (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 Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM.

The accounting policies and methods of computation used in the preparation of the Unaudited Condensed Consolidated Financial Statements are consistent with those adopted in preparing the annual financial statements of the Group for the year ended 30th September 2022.

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

On 1st October 2022, the Group adopted all the amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) that were relevant to the Group and were effective from that date. The adoption of these amendments to HKFRSs, does not result in changes to the Group’s accounting policies and has no material effect on the amounts reported for the current or prior period.



### 3. REVENUE

The following is an analysis of the Group's revenue from its provision of financial printing services during the three and six months ended 31st March 2022 and 2023:

	For the three months ended 31st March		For the six months ended 31st March	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Listing-related documents	1,515	1,915	2,827	3,676
Periodical reporting documents	1,337	943	4,763	3,151
Compliance documents	2,070	2,965	4,589	6,381
Miscellaneous and marketing collaterals (Note)	375	419	944	557
	5,297	6,242	13,123	13,765

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 of the Group, for the purpose of resources allocation and performance assessment. On this basis, the Group has determined that it has only one operating segment which is the provision of financial printing services.

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

### 5. INCOME TAX

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 both periods under review.



## 6. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	For the three months ended 31st March		For the six months ended 31st March	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Employee benefits expense (including Directors' emoluments):				
Salaries and allowances	5,069	5,462	10,000	10,601
Pension scheme contributions	200	214	398	422
	5,269	5,676	10,398	11,023
Depreciation of property, plant and equipment included in administrative expenses	213	218	438	450
Depreciation of right-of-use assets included in cost of services	145	146	289	295
Depreciation of right-of-use assets included in administrative expenses	1,956	1,986	3,913	4,857
Finance costs — interest on lease liabilities included in cost of services	12	19	26	41
Finance costs — interest on lease liabilities included in finance costs	209	330	443	360
Expenses relating to short term leases	144	—	288	—

## 7. DIVIDENDS

The Board has resolved not to declare the payment of any dividend for the six months ended 31st March 2023 (six months ended 31st March 2022: HK\$Nil).



## 8. LOSS PER SHARE

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

	For the three months ended 31st March		For the six months ended 31st March	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Loss for the period attributable to owners of the Company for the purpose of calculating basic and diluted loss per share	(4,586)	(4,905)	(7,506)	(9,114)
	2023 '000	2022 '000	2023 '000	2022 '000
Number of shares: Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	1,000,000	1,000,000	1,000,000	1,000,000
	HK cent	HK cent	HK cent	HK cent
Basic and diluted loss per share	(0.46)	(0.49)	(0.75)	(0.91)

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

## 9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31st March 2023, the Group acquired plant and equipment with an aggregate cost of approximately HK\$65,000 (six months ended 31st March 2022: HK\$Nil).



## 10. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

### RIGHT-OF-USE ASSETS

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

	Leased premises HK\$'000	Office equipment HK\$'000	Total HK\$'000
As at 1st October 2022 (Audited)	17,608	1,030	18,638
Depreciation charge for the period	(3,913)	(289)	(4,202)
<b>As at 31st March 2023 (Unaudited)</b>	<b>13,695</b>	<b>741</b>	<b>14,436</b>
As at 1st October 2021 (Audited)	3,170	1,614	4,784
Additions	22,397	—	22,397
Depreciation charge for the period	(4,857)	(295)	(5,152)
As at 31st March 2022 (Unaudited)	20,710	1,319	22,029

For both periods, the Group leases its office, warehouse and equipment for its operations. Lease contracts for leased premises are entered into for fixed term of 2 to 3 years while the lease of equipment has a lease term of 5 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. Generally, the Group is restricted from assigning and subleasing the leased assets. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.



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

### LEASE LIABILITIES

The lease liabilities are payable:

	As at 31st March 2023 HK\$'000 (Unaudited)	As at 30th September 2022 HK\$'000 (Audited)
<b>Current</b>		
Within one year	8,710	8,570
<b>Non-current</b>		
More than one year but not later than two years	6,674	8,835
More than two years but not later than five years	10	2,218
	6,684	11,053
	15,394	19,623

The total cash outflow for leases for the six months ended 31st March 2023 was approximately HK\$4,986,000 (six months ended 31st March 2022: HK\$5,553,000).

### AMOUNTS RECOGNISED IN PROFIT OR LOSS

	For the three months ended 31st March		For the six months ended 31st March	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Depreciation of right-of-use assets	2,101	2,132	4,202	5,152
Interest on lease liabilities	221	349	469	401
Expenses relating to short term leases	144	—	288	—

The incremental borrowing rate applied to lease liabilities was 5.25% (six months ended 31st March 2022: 5.25%).





## 11. TRADE RECEIVABLES

	As at 31st March 2023 HK\$'000 (Unaudited)	As at 30th September 2022 HK\$'000 (Audited)
Trade receivables, gross	12,259	19,394
Less: Allowance for credit losses	(6,550)	(6,550)
	5,709	12,844

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

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

	As at 31st March 2023 HK\$'000 (Unaudited)	As at 30th September 2022 HK\$'000 (Audited)
Within 30 days	1,950	6,808
31 to 60 days	1,633	841
61 to 90 days	714	1,125
91 to 180 days	685	3,083
181 days to one year	727	462
Over one year	—	525
	5,709	12,844



## 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 31st March 2023 HK\$'000 (Unaudited)	As at 30th September 2022 HK\$'000 (Audited)
Within 30 days	502	1,418
31 to 60 days	3	635
61 to 90 days	2	15
91 to 180 days	—	522
181 days to one year	677	755
Over one year	2,077	1,705
	3,261	5,050

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

## 13. SHARE CAPITAL

	Number of ordinary shares	Share capital HK\$
Authorised ordinary shares of HK\$0.01 each As at 30th September 2022 and 31st March 2023	5,000,000,000	50,000,000
Issued and fully paid ordinary shares of HK\$0.01 each As at 30th September 2022 and 31st March 2023	1,000,000,000	10,000,000



# Management Discussion and Analysis

## BUSINESS REVIEW AND OUTLOOK

During the six months ended 31st March 2023, the revenue of the Group decreased by approximately 5.1% as compared to that of the same period of last year, which was mainly attributable to the decrease in revenue generated from printing (i) the listing-related documents of approximately HK\$0.9 million from approximately HK\$3.7 million for the six months ended 31st March 2022 to approximately HK\$2.8 million for the six months ended 31st March 2023 and (ii) compliance documents of approximately HK\$1.8 million from approximately HK\$6.4 million for the six months ended 31st March 2022 to approximately HK\$4.6 million for the six months ended 31st March 2023, whereas the revenue from printing periodical reporting documents increased by approximately HK\$1.7 million from approximately HK\$3.1 million for the six months ended 31st March 2022 to approximately HK\$4.8 million for the six months ended 31st March 2023. The revenue generated from printing of miscellaneous and marketing collaterals are relatively stable for the period.

Upon the good news of border opening between Hong Kong and China. The opening marks a step in Hong Kong's bid to rebuild its reputation as a financial hub connecting mainland China and the rest of the world. In the view that Hong Kong is on the way of returning to normality, which will help the city to retain its global financial hub status. The outlook of Hong Kong IPO market in long term stays positive on the back of strong IPO pipeline from biotech and homecoming listings. Local authorities are now reviewing the rules needed to accommodate listings of specialist technology enterprises that are still in their early stages of commercialization. EDICO has already laid solid foundation over the years to provide the best financial printing services in Hong Kong and we are able to capitalize any market opportunities once the demand for premium financial printing services resumed. Furthermore, we will explore the opportunities in new and innovative industries from Greater China and Southeast Asia for business expansions. Most importantly, we will continue to maintain our premium financial printing services model to our trusted customers in all times and create the long-term values of the shareholders.

## FINANCIAL REVIEW

### REVENUE

The Group's revenue decreased from approximately HK\$13.8 million for the six months ended 31st March 2022 to approximately HK\$13.1 million for the six months ended 31st March 2023, representing a decrease of approximately 5.1%. Revenue generated from printing (i) the listing-related documents decreased by approximately HK\$0.9 million and (ii) compliance documents decreased by approximately HK\$1.8 million whereas revenue related to printing periodical reporting documents increased by approximately 1.7 million. The revenue from printing of miscellaneous and marketing collaterals are relatively stable as compared to the same period last year. The decrease in revenue was mainly attributable to the delays and cancellations of certain projects during the six months ended 31st March 2023.



## COST OF SERVICES

The Group's cost of services mainly included translation cost, printing cost and staff cost, which represented approximately 5.0%, 19.4% and 59.6%, respectively of the Group's total cost of services for the six months ended 31st March 2023. The Group's cost of services decreased from approximately HK\$8.6 million for the six months ended 31st March 2022 to approximately HK\$8.2 million for the six months ended 31st March 2023, representing an decrease of approximately 4.7%. The decrease in cost of services was generally in line with the decrease of the Group's revenue during the period under review.

## GROSS PROFIT

The Group's gross profit decreased from approximately HK\$5.2 million for the six months ended 31st March 2022 to approximately HK\$4.9 million for the six months ended 31st March 2023, representing an decrease of approximately 5.8%. The decrease was generally in line with the decrease of the Group's revenue during the period under review.

## OTHER INCOME

The Group's other income increased from HK\$0.1 million for the six months ended 31st March 2022 to HK\$0.6 million for the six months ended 31st March 2023. The change was mainly attributable to the increase of interest income from fixed deposits placed in licenced banks in Hong Kong during the six months ended 31st March 2023.

## SELLING EXPENSES

The Group's selling expenses decreased from approximately HK\$1.6 million for the six months ended 31st March 2022 to HK\$1.1 million for the six months ended 31st March 2023. The decrease was mainly attributable to the decrease in staff cost.

## ADMINISTRATIVE EXPENSES

The Group's administrative expenses decreased from approximately HK\$12.5 million for the six months ended 31st March 2022 to approximately HK\$11.5 million for the six months ended 31st March 2023.

The decrease was mainly attributable to the decrease in staff cost and the depreciation of right-of-use assets.

## FINANCE COSTS

The Group's finance costs represented interest on lease liabilities for the six months ended 31st March 2022 and 2023 under HKFRS 16.



## INCOME TAX

There was no income tax for the Group for the six months ended 31st March 2023 as the Group had no assessable profits for the periods under review (six months ended 31st March 2022: HK\$Nil).

## LOSS FOR THE PERIOD

The Group recorded a loss for the period of approximately HK\$7.5 million for the six months ended 31st March 2023 as compared with that of approximately HK\$9.1 million for the six months ended 31st March 2022. The change was primarily due to the decrease in staff cost and depreciation of right-of-use assets during the six months ended 31st March 2023.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31st March 2023, our Group had cash and bank balances and time deposits of approximately HK\$64.8 million (30th September 2022: HK\$68.5 million) and did not have any bank borrowings (30th September 2022: HK\$Nil).

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

As at 31st March 2023, our Group's current assets amounted to approximately HK\$74.0 million (30th September 2022: HK\$84.7 million) and current liabilities amounted to approximately HK\$26.1 million (30th September 2022: HK\$29.6 million). Current ratio (calculated by dividing current assets by current liabilities) was 2.8 times as at 31st March 2023 (30th September 2022: 2.9 times).

## CAPITAL EXPENDITURE

For the six months ended 31st March 2023, our capital expenditure amounted to approximately HK\$65,000.

## USE OF NET PROCEEDS FROM THE LISTING

On 2nd February 2018 (the "**Listing Date**"), 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 were issued at HK\$0.22 per Share in relation to its Share Offer (as defined in the prospectus of the Company dated 23rd January 2018 (the "**Prospectus**")). The net proceeds received from the Listing, after deducting the underwriting commission and all related Listing expenses (the "**Net Proceeds**") were amounted to approximately HK\$28.7 million.

The Group has resolved to change the use of the unutilised Net Proceeds to general working capital and general corporate purpose for more efficient use of the resources, as detailed in the Company's announcement dated 15th December 2022.



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

Intended application of the Net Proceeds	Total expenditure of the planned applications (Note 1) (HK\$ million)	Planned use of the Net Proceeds (Note 2) (HK\$ million)	Actual usage from the Listing Date and up to 30th September 2022 (HK\$ million)	Actual usage during 1st October 2022 to 15th December 2022 (HK\$ million)	Revised	Actual usage from 15th December 2022 to 31st March 2023 (HK\$ million)	Unutilised Net Proceeds as at 31st March 2023 (HK\$ million)
					allocation of		
					unutilised Net		
					Proceeds on 15th December 2022 (Note 4) (HK\$ million)		
Upgrading the Central Office (Note 3) and setting up a new office	18.6	13.9	5.8	0.3	(7.8)	—	—
Expanding the workforce	10.0	7.5	7.5	—	—	—	—
Upgrading and acquiring equipment and software	6.0	4.5	2.2	0.4	(1.9)	—	—
Working capital and general corporate expenses	—	2.8	2.8	—	9.7	9.7	—

Notes:

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

As at the date of this report, the unutilised Net Proceeds were deposited in a licensed bank Hong Kong.



## COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL PROGRESS

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

### Business objectives as set out in the Prospectus

### Actual progress up to 31st March 2023

— Upgrading the Central Office and setting up a new office	The renovation work of the Central Office had been completed by the end of December 2018 and a new office was relocated to a more spacious office located in New Kowloon Plaza, Hong Kong by the end of August 2020. The Group has resolved to change the use of the unutilised Net Proceeds for upgrading the Central Office and setting up a new office to working capital and general corporate purpose, as disclosed in the announcement dated 15th December 2022.
— 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, email system and existing server configuration, and acquired conference rooms' facilities for serving its customers. The Group has resolved to change the use of the unutilised Net Proceeds for upgrading and acquiring equipment and software to working capital and general corporate purpose, as disclosed in the announcement dated 15th December 2022.

## GEARING RATIO

Gearing ratio is calculated as net debt (comprising contract liabilities, trade payables, accruals, and lease liabilities, less cash and cash equivalents) at the end of the respective period divided by total equity. Gearing ratio was not applicable to the Group as at 31st March 2023 and 30th September 2022 as the Group did not have net debt on both dates.

## FOREIGN CURRENCY EXPOSURE

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

## CAPITAL COMMITMENTS

The Group had no significant capital commitments as at 31st March 2023 (30th September 2022: HK\$Nil).



## CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 31st March 2023 (30th September 2022: HK\$Nil).

## MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There was no acquisition or disposal of subsidiaries, associates and joint ventures by the Group during the six months ended 31st March 2023.

## SIGNIFICANT INVESTMENTS

As at 31st March 2023, the Group did not hold any significant investments or capital assets.

## CHARGES ON THE GROUP'S ASSETS

As at 31st March 2023, the Group had no charges on the Group's assets.

## EMPLOYEES AND REMUNERATION POLICIES

As at 31st March 2023, the Group had a total headcount of 56 full-time employees (31st March 2022: 55 full-time employees). The Group's employee benefit expenses mainly include salaries, wages, discretionary bonus, other staff benefits and contributions to retirement schemes. Remuneration is determined by reference to the market conditions and the performance, qualification and experience of individual employee.

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

## DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended 31st March 2023 (six months ended 31st March 2022: HK\$Nil).

## EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant events requiring disclosure that have occurred after 31st March 2023 and up to the date of this report.





# Corporate Governance and Other Information

## DISCLOSURE OF INTERESTS

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

As at 31st March 2023, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

#### Long position in the Shares

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

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

#### Long position in the ordinary shares of associated corporation

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

Save as disclosed above and so far as is known to the Directors, as at 31st March 2023, none of the Directors nor the chief executive of the Company had or was deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which had been (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, entered in the register referred to therein; or (c) notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.



## (B) INTERESTS OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

As at 31st March 2023, so far as is known to the Directors, the person and entity (not being a Director or the chief executive of the Company) had, or were deemed to have, interests or short positions (directly or indirectly) in the Shares or underlying Shares that would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

### *Long position in the Shares*

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

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

Save as disclosed above and so far as is known to the Directors, as at 31st March 2023, 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.

No options were granted, exercised, cancelled or lapsed by the Company under the Share Option Scheme during the six months ended 31st March 2023 and there were no outstanding share options under the Share Option Scheme during the period from the Listing Date to 31st March 2023. The number of options available for grant under the Share Option Scheme was 100,000,000 as at 1st October 2022 and as at 31st March 2023.



## COMPETING INTERESTS

None of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company or any of their respective close associates (as defined in the GEM Listing Rules) had any business or interest in a business that competed or might compete with the business of the Group and had or might have any other conflicts of interest with the Group during the six months ended 31st March 2023.

## CORPORATE GOVERNANCE CODE

The Company endeavours to adopt prevailing best corporate governance practices. During the six months ended 31st March 2023, the Company had complied with all the code provisions of the Corporate Governance Code as contained in Appendix 15 to the GEM Listing Rules.

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the **"Required Standard of Dealings"**) as its own code of conduct governing the securities transactions by the Directors. The Company had made specific enquiries of all the Directors and each of them has confirmed that he/she had complied with the Required Standard of Dealings during the six months ended 31st March 2023.

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

During the six months ended 31st March 2023, the Company did not redeem any of its listed securities, nor did the Company and any of its subsidiaries purchase or sell such securities.



## AUDIT COMMITTEE

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

The Audit Committee has reviewed the unaudited condensed consolidated results of the Group for the six months ended 31st March 2023 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, 8th May 2023

*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.*



EDICO Holdings Limited

鉅京控股有限公司\*

(Incorporated in the Cayman Islands with limited liability)

Stock code : 8450

臻于至善

# One Step Forward



INTERIM REPORT  
2023/2024



\* For identification purpose only

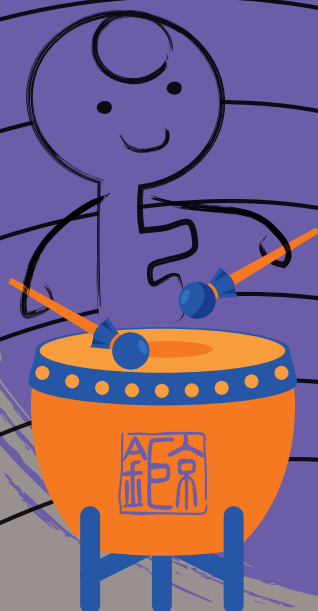
## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE” AND THE “GEM”, RESPECTIVELY)

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

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

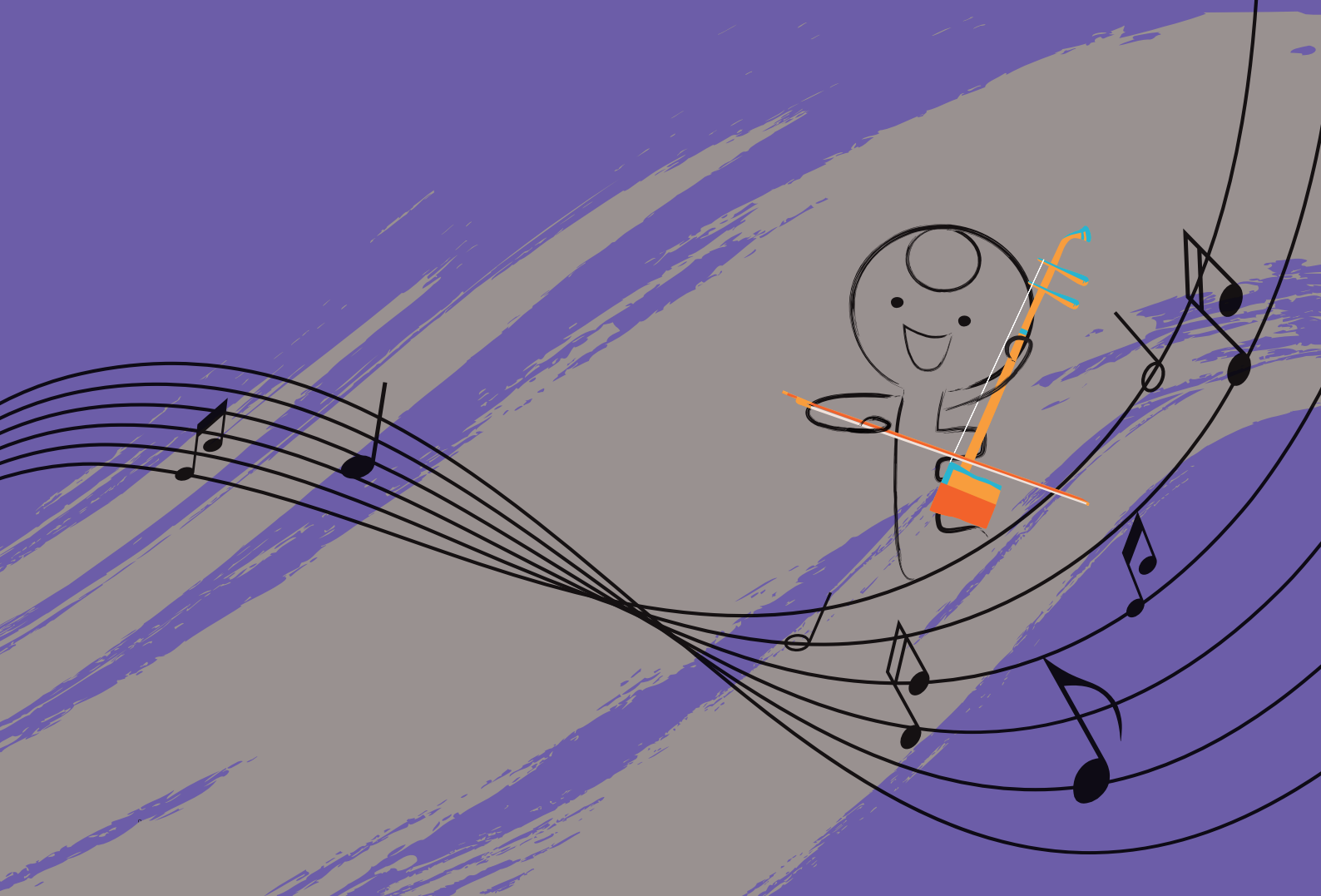
Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part 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	Interim Results
03	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
04	Condensed Consolidated Statement of Financial Position
05	Condensed Consolidated Statement of Changes in Equity
06	Condensed Consolidated Statement of Cash Flows
07	Notes to the Condensed Consolidated Financial Statements
16	Management Discussion and Analysis
20	Corporate Governance and Other Information



# Financial Highlights



The Group's unaudited revenue for the six months ended 31st March 2024 amounted to approximately HK\$14.9 million, increased by approximately 13.7% as compared to that of the same period in 2023.



The Group's unaudited gross profit for the six months ended 31st March 2024 amounted to approximately HK\$7.7 million, increased by approximately 57.1% as compared to that of the same period in 2023.



The Group recorded an unaudited net loss of approximately HK\$3.6 million and approximately HK\$7.5 million for the six months ended 31st March 2024 and 2023 respectively.



The basic loss per share for the six months ended 31st March 2024 was HK0.36 cent (six months ended 31st March 2023: HK0.75 cent).



The board of Directors (the “**Board**”) has resolved not to declare the payment of any dividend for the six months ended 31st March 2024 (six months ended 31st March 2023: HK\$Nil).





# Interim Results

The Board announces the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 31st March 2024, together with the relevant comparative unaudited/audited figures.

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31st March 2024

		For the six months ended 31st March	
	Note	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	3	14,892	13,123
Cost of services		(7,193)	(8,221)
Gross profit		7,699	4,902
Other income		1,595	644
Selling expenses		(1,482)	(1,074)
Administrative expenses		(11,136)	(11,535)
Finance costs		(232)	(443)
Loss before tax		(3,556)	(7,506)
Income tax	5	—	—
Loss and total comprehensive loss for the period attributable to the owners of the Company	6	(3,556)	(7,506)
		HK cent	HK cent
Loss per share			
Basic and diluted	8	(0.36)	(0.75)

# Condensed Consolidated Statement of Financial Position

As at 31st March 2024

	Note	As at 31st March 2024 HK\$'000 (Unaudited)	As at 30th September 2023 HK\$'000 (Audited)
<b>Non-current Assets</b>			
Property, plant and equipment	9	337	574
Right-of-use assets	10	6,890	11,062
Deferred tax assets		1,046	1,046
<b>Total Non-current Assets</b>		<b>8,273</b>	12,682
<b>Current Assets</b>			
Trade receivables	11	4,036	14,018
Contract assets		91	217
Prepayments, deposits and other receivables		2,591	2,574
Fixed deposits		29,344	49,001
Cash and cash equivalents		32,327	11,562
<b>Total Current Assets</b>		<b>68,389</b>	77,372
<b>Current Liabilities</b>			
Trade payables	12	3,097	6,339
Contract liabilities		10,239	11,158
Accruals		2,120	3,387
Lease liabilities	10	6,845	8,976
<b>Total Current Liabilities</b>		<b>22,301</b>	29,860
<b>Net Current Assets</b>		<b>46,088</b>	47,512
<b>Total Assets less Current Liabilities</b>		<b>54,361</b>	60,194
<b>Non-current Liability</b>			
Lease liabilities	10	460	2,737
<b>Net Assets</b>		<b>53,901</b>	57,457
<b>Capital and Reserves</b>			
Share capital	13	10,000	10,000
Reserves		43,901	47,457
<b>Total Equity</b>		<b>53,901</b>	57,457

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 31st March 2024

	Share Capital HK\$'000	Share Premium HK\$'000	Capital Reserve HK\$'000	Merger Reserve HK\$'000	Retained Profits HK\$'000	Total HK\$'000
(Unaudited)						
As at 1st October 2023	10,000	36,735	5,074	16	5,632	57,457
Loss and total comprehensive loss for the period	—	—	—	—	(3,556)	(3,556)
<b>As at 31st March 2024</b>	<b>10,000</b>	<b>36,735</b>	<b>5,074</b>	<b>16</b>	<b>2,076</b>	<b>53,901</b>
(Unaudited)						
As at 1st October 2022	10,000	36,735	5,074	16	13,312	65,137
Loss and total comprehensive loss for the period	—	—	—	—	(7,506)	(7,506)
As at 31st March 2023	10,000	36,735	5,074	16	5,806	57,631

# Condensed Consolidated Statement of Cash Flows

For the six months ended 31st March 2024

	Six months ended 31st March	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>Net cash from operating activities</b>	<b>4,233</b>	665
<b>Cash Flows from Investing Activities</b>		
Withdrawal of fixed deposits	<b>19,657</b>	7,259
Interest received	<b>1,541</b>	449
Purchase of property, plant and equipment	<b>—</b>	(65)
<b>Net cash from investing activities</b>	<b>21,198</b>	7,643
<b>Cash Flows from Financing Activities</b>		
Repayments of interest element of lease liabilities	<b>(258)</b>	(469)
Repayments of principal element of lease liabilities	<b>(4,408)</b>	(4,229)
<b>Net cash used in financing activities</b>	<b>(4,666)</b>	(4,698)
<b>Net increase in cash and cash equivalents</b>	<b>20,765</b>	3,610
<b>Cash and cash equivalents at the beginning of the period</b>	<b>11,562</b>	23,810
<b>Cash and cash equivalents at the end of the period</b>	<b>32,327</b>	27,420

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 31st March 2024

## 1. GENERAL INFORMATION

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

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

The unaudited condensed consolidated financial statements of the Group for the six months ended 31st March 2024 (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 Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM.

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

Other than the application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) the HKICPA guidance as disclosed below, 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 2023.

On 1st October 2023, the Group adopted all the relevant amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) and the HKICPA guidance as detailed below. The adoption has no material effect on the Group’s Financial position and performance for the current or prior period.

## 2. BASIS OF PREPARATION (Continued)

### AMENDMENTS TO HKAS 8, ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS: DEFINITION OF ACCOUNTING ESTIMATES

The amendments provide further guidance on the distinction between changes in accounting policies and changes in accounting estimates. The amendments do not have a material impact on these financial statements as the Group's approach in distinguishing changes in accounting policies and changes in accounting estimates is consistent with the amendments.

### AMENDMENTS TO HKAS 1, PRESENTATION OF FINANCIAL STATEMENTS AND HKFRS PRACTICE STATEMENT 2, MAKING MATERIALITY JUDGEMENTS: DISCLOSURE OF ACCOUNTING POLICIES

The amendments require entities to disclose material accounting policy information and provide guidance on applying the concept of materiality to accounting policy disclosure. The Group has revisited the accounting policy information it has been disclosing and considered it is consistent with the amendments.

### CHANGE IN ACCOUNTING POLICY AS A RESULT OF APPLICATION OF THE HKICPA GUIDANCE ON THE ACCOUNTING IMPLICATIONS OF THE ABOLITION OF THE MANDATORY PROVIDENT FUND ("MPF") – LONG SERVICE PAYMENT ("LSP") OFFSETTING MECHANISM IN HONG KONG

The Group has several subsidiaries operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee's accrued retirement benefits derived from employers' MPF contributions was allowed under the Employment Ordinance (Cap.57). In June 2022, the Government of the HKSAR gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance") which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset severance payment and LSP (the "**Abolition**"). The Abolition will officially take effect on 1st May 2025 (the "**Transition Date**"). In addition, under the Amendment Ordinance, the last month's salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In light of this, the Group has implemented the guidance published by the HKICPA in connection with the LSP obligation retrospectively so as to provide more reliable and more relevant information about the effects of the offsetting mechanism and the Abolition.

The Group considered the accrued benefits arising from employer MPF contributions that have been vested with the employee and which could be used to offset the employee's LSP benefits as a deemed contribution by the employee towards the LSP. Historically, the Group has been applying the practical expedient in paragraph 93(b) of HKAS 19 to account for the deemed employee contributions as a reduction of the service cost in the period in which the related service is rendered.

## 2. BASIS OF PREPARATION (Continued)

### CHANGE IN ACCOUNTING POLICY AS A RESULT OF APPLICATION OF THE HKICPA GUIDANCE ON THE ACCOUNTING IMPLICATIONS OF THE ABOLITION OF THE MANDATORY PROVIDENT FUND (“MPF”) – LONG SERVICE PAYMENT (“LSP”) OFFSETTING MECHANISM IN HONG KONG (Continued)

Based on the HKICPA’s guidance, as a result of the Abolition, these contributions are no longer considered “linked solely to the employee’s service in that period” since the mandatory employer MPF contributions after the Transition Date can still be used to offset the pre-transition LSP obligation. Therefore, it would not be appropriate to view the contributions as “independent of the number of years of service” and the practical expedient in paragraph 93(b) of HKAS 19 is no longer applicable. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit applying paragraph 93(a) of HKAS 19.

The management considers that the effect of the Abolition is insignificant to the Group.

## 3. REVENUE

The following is an analysis of the Group’s revenue from its provision of financial printing services during the six months ended 31st March 2023 and 2024:

	For the six months ended 31st March	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Listing-related documents	8,150	2,827
Periodical reporting documents	3,244	4,763
Compliance documents	3,358	4,589
Miscellaneous and marketing collaterals (Note)	140	944
	14,892	13,123

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 of the Group, for the purpose of resources allocation and performance assessment. On this basis, the Group has determined that it has only one operating segment which is the provision of financial printing services.

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

## 5. INCOME TAX

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 both periods under review.

## 6. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	For the six months ended 31st March	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Employee benefits expense (including Directors' emoluments):		
Salaries and allowances	10,370	10,000
Pension scheme contributions	397	398
	10,767	10,398
Depreciation of property, plant and equipment included in administrative expenses	237	438
Depreciation of right-of-use assets included in cost of services	259	289
Depreciation of right-of-use assets included in administrative expenses	3,913	3,913
Finance costs — interest on lease liabilities included in cost of services	26	26
Finance costs — interest on lease liabilities included in finance costs	232	443
Expenses relating to short term leases	—	288



## 7. DIVIDENDS

The Board has resolved not to declare the payment of any dividend for the six months ended 31st March 2024 (six months ended 31st March 2023: HK\$Nil).

## 8. LOSS PER SHARE

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

	For the six months ended 31st March	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Loss for the period attributable to owners of the Company for the purpose of calculating basic and diluted loss per share	(3,556)	(7,506)
	2024 '000	2023 '000
Number of shares: Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	1,000,000	1,000,000
	HK cent	HK cent
Basic and diluted loss per share	(0.36)	(0.75)

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

## 9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31st March 2024, the Group did not acquire or dispose any plant and equipment (six months ended 31st March 2023: acquisition of HK\$65,000).

## 10. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

### RIGHT-OF-USE ASSETS

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

	Leased premises HK\$'000	Office equipment HK\$'000	Total HK\$'000
As at 1st October 2023 (Audited)	10,004	1,058	11,062
Depreciation charge for the period	(3,913)	(259)	(4,172)
<b>As at 31st March 2024 (Unaudited)</b>	<b>6,091</b>	<b>799</b>	<b>6,890</b>
As at 1st October 2022 (Audited)	17,608	1,030	18,638
Depreciation charge for the period	(3,913)	(289)	(4,202)
As at 31st March 2023 (Unaudited)	13,695	741	14,436

For the current period, the Group leases its office and equipment (2023: office, warehouse and equipment) for its operations. Lease contracts for leased premises are entered into for fixed term of 2 to 3 years while the lease of equipment has a lease term of 5 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. Generally, the Group is restricted from assigning and subleasing the leased assets. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

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

### LEASE LIABILITIES

The lease liabilities are payable:

	As at 31st March 2024 HK\$'000 (Unaudited)	As at 30th September 2023 HK\$'000 (Audited)
<b>Current</b>		
Within one year	6,845	8,976
<b>Non-current</b>		
More than one year but not later than two years	134	2,343
More than two years but not later than five years	326	394
	460	2,737
	7,305	11,713

The total cash outflow for leases for the six months ended 31st March 2024 was approximately HK\$4,666,000 (six months ended 31st March 2023: HK\$4,986,000).

### AMOUNTS RECOGNISED IN PROFIT OR LOSS

	For the six months ended 31st March 2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Depreciation of right-of-use assets	4,172	4,202
Interest on lease liabilities	258	469
Expenses relating to short term leases	—	288

The incremental borrowing rate applied to lease liabilities was 5.25% (six months ended 31st March 2023: 5.25%).

## 11. TRADE RECEIVABLES

	As at 31st March 2024 HK\$'000 (Unaudited)	As at 30th September 2023 HK\$'000 (Audited)
Trade receivables, gross	14,205	24,187
Less: Allowance for credit losses	(10,169)	(10,169)
	4,036	14,018

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

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

	As at 31st March 2024 HK\$'000 (Unaudited)	As at 30th September 2023 HK\$'000 (Audited)
Within 30 days	1,457	5,910
31 to 60 days	1,121	4,094
61 to 90 days	—	1,061
91 to 180 days	1,458	2,366
181 days to one year	—	480
Over one year	—	107
	4,036	14,018

## 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 31st March 2024 HK\$'000 (Unaudited)	As at 30th September 2023 HK\$'000 (Audited)
Within 30 days	412	2,014
31 to 60 days	48	952
61 to 90 days	27	385
91 to 180 days	22	284
181 days to one year	298	35
Over one year	2,290	2,669
	3,097	6,339

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

## 13. SHARE CAPITAL

	Number of ordinary shares	Share capital HK\$
Authorised ordinary shares of HK\$0.01 each As at 30th September 2023 and 31st March 2024	5,000,000,000	50,000,000
Issued and fully paid ordinary shares of HK\$0.01 each As at 30th September 2023 and 31st March 2024	1,000,000,000	10,000,000

# Management Discussion and Analysis

## BUSINESS REVIEW AND OUTLOOK

During the six months ended 31st March 2024, the revenue of the Group increased by approximately 13.7% as compared to that of the same period of last year, which was mainly attributable to the increase in revenue generated from printing the listing-related documents of approximately HK\$5.4 million from approximately HK\$2.8 million for the six months ended 31st March 2023 to approximately HK\$8.2 million for the six months ended 31st March 2024 whereas the revenue from (i) printing periodical reporting documents decreased by approximately HK\$1.6 million from approximately HK\$4.8 million for the six months ended 31st March 2023 to approximately HK\$3.2 million for the six months ended 31st March 2024 and (ii) compliance documents decreased by approximately HK\$1.2 million from approximately HK\$4.6 million for the six months ended 31st March 2023 to approximately HK\$3.4 million for the six months ended 31st March 2024, and (iii) miscellaneous and marketing collaterals decreased by approximately HK\$0.8 million from approximately HK\$0.9 million for the six months ended 31st March 2023 to approximately HK\$0.1 million for the six months ended 31st March 2024.

Half of a year has gone by so quickly, the Hong Kong economy is recorded remain under pressure. We are not expecting the market to rebound quickly and should remain on a downward trend, though EDICO is never afraid of facing challenges. We will continue to venture beyond our comfort zones, embracing calculated risks and exploring new frontiers. Continue to believe Hong Kong as a premier international financial center, the demand of the premium financial printing services will resume in long term and EDICO is always well positioned to capitalize the opportunities.

## FINANCIAL REVIEW

### REVENUE

The Group's revenue increased from approximately HK\$13.1 million for the six months ended 31st March 2023 to approximately HK\$14.9 million for the six months ended 31st March 2024, representing an increase of approximately 13.7%. Revenue generated from printing of the listing-related documents increased by approximately HK\$5.4 million whereas revenue related to (i) printing periodical reporting documents decreased by approximately 1.6 million; (ii) compliance documents decreased by approximately HK\$1.2 million; and (iii) miscellaneous and marketing collaterals decreased by approximately HK\$0.8 million as compared to the same period last year. The increase in revenue was mainly due to a significant increase in the revenue generated from handling listing-related documents as a result of an increase in the number of new customers successfully listed on the Stock Exchange during the period under review.

### COST OF SERVICES

The Group's cost of services mainly included translation cost, printing cost and staff cost, which represented approximately 12.8%, 13.1% and 60.4%, respectively of the Group's total cost of services for the six months ended 31st March 2024. The Group's cost of services decreased from approximately HK\$8.2 million for the six months ended 31st March 2023 to approximately HK\$7.2 million for the six months ended 31st March 2024, representing an decrease of approximately 12.2%. The decrease in cost of services was mainly due to the effectiveness of our cost control during the period under review.

## GROSS PROFIT

The Group's gross profit increased from approximately HK\$4.9 million for the six months ended 31st March 2023 to approximately HK\$7.7 million for the six months ended 31st March 2024, representing an increase of approximately 57.1%. The increase was generally in line with the increase of the Group's revenue during the period under review.

## OTHER INCOME

The Group's other income increased from HK\$0.6 million for the six months ended 31st March 2023 to HK\$1.6 million for the six months ended 31st March 2024. The change was mainly attributable to the increase of interest income from fixed deposits placed in licenced banks in Hong Kong during the six months ended 31st March 2024.

## SELLING EXPENSES

The Group's selling expenses increased from approximately HK\$1.1 million for the six months ended 31st March 2023 to HK\$1.5 million for the six months ended 31st March 2024. The increase was mainly attributable to the increase in staff cost.

## ADMINISTRATIVE EXPENSES

The Group's administrative expenses decreased from approximately HK\$11.5 million for the six months ended 31st March 2023 to approximately HK\$11.1 million for the six months ended 31st March 2024.

The decrease was mainly attributable to the decrease in staff cost and depreciation of property, plant and equipment.

## FINANCE COSTS

The Group's finance costs represented interest on lease liabilities for the six months ended 31st March 2023 and 2024 under HKFRS 16.

## INCOME TAX

There was no income tax for the Group for the six months ended 31st March 2024 as the Group had no assessable profits for the periods under review (six months ended 31st March 2023: HK\$Nil).

## LOSS FOR THE PERIOD

The Group recorded a loss for the period of approximately HK\$3.6 million for the six months ended 31st March 2024 as compared with that of approximately HK\$7.5 million for the six months ended 31st March 2023. The change was primarily due to the increase in revenue generated from printing of listing-related documents during the six months ended 31st March 2024.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31st March 2024, our Group had cash and bank balances and time deposits of approximately HK\$61.7 million (30th September 2023: HK\$60.6 million) and did not have any bank borrowings (30th September 2023: HK\$Nil).

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

As at 31st March 2024, our Group's current assets amounted to approximately HK\$68.4 million (30th September 2023: HK\$77.4 million) and current liabilities amounted to approximately HK\$22.3 million (30th September 2023: HK\$29.9 million). Current ratio (calculated by dividing current assets by current liabilities) was 3.1 times as at 31st March 2024 (30th September 2023: 2.6 times).

## CAPITAL EXPENDITURE

For the six months ended 31st March 2024, the Group had no capital expenditure.

## GEARING RATIO

Gearing ratio is calculated as net debt (comprising contract liabilities, trade payables, accruals, and lease liabilities, less cash and cash equivalents) at the end of the respective period divided by total equity. Gearing ratio was not applicable to the Group as at 31st March 2024 and 30th September 2023 as the Group did not have net debt on both dates.

## FOREIGN CURRENCY EXPOSURE

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

## CAPITAL COMMITMENTS

The Group had no significant capital commitments as at 31st March 2024 (30th September 2023: HK\$Nil).

## CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 31st March 2024 (30th September 2023: HK\$Nil).

## MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There was no acquisition or disposal of subsidiaries, associates and joint ventures by the Group during the six months ended 31st March 2024.



## SIGNIFICANT INVESTMENTS

As at 31st March 2024, the Group did not hold any significant investments or capital assets.

## CHARGES ON THE GROUP'S ASSETS

As at 31st March 2024, the Group had no charges on the Group's assets.

## EMPLOYEES AND REMUNERATION POLICIES

As at 31st March 2024, the Group had a total headcount of 51 full-time employees (31st March 2023: 56 full-time employees). The Group's employee benefit expenses mainly include salaries, wages, discretionary bonus, other staff benefits and contributions to retirement schemes. Remuneration is determined by reference to the market conditions and the performance, qualification and experience of individual employee.

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

## DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended 31st March 2024 (six months ended 31st March 2023: HK\$Nil).

## EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant events requiring disclosure that have occurred after 31st March 2024 and up to the date of this report.

# Corporate Governance and Other Information

## DISCLOSURE OF INTERESTS

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

As at 31st March 2024, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

#### *Long position in the Shares*

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

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

#### *Long position in the ordinary shares of associated corporation*

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

Save as disclosed above and so far as is known to the Directors, as at 31st March 2024, none of the Directors nor the chief executive of the Company had or was deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which had been (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, entered in the register referred to therein; or (c) notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

## (B) INTERESTS OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

As at 31st March 2024, 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 (Note)	Beneficial owner	Personal interest	560,000,000	56%
Yuen Sin Yee Claudia	Beneficial owner	Personal interest	192,200,000	19%

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

Save as disclosed above and so far as is known to the Directors, as at 31st March 2024, 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.

No options were granted, exercised, cancelled or lapsed by the Company under the Share Option Scheme during the six months ended 31st March 2024 and there were no outstanding share options under the Share Option Scheme during the period from the Listing Date to 31st March 2024. The number of options available for grant under the Share Option Scheme was 100,000,000 as at 1st October 2023 and as at 31st March 2024.

## COMPETING INTERESTS

None of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company or any of their respective close associates (as defined in the GEM Listing Rules) had any business or interest in a business that competed or might compete with the business of the Group and had or might have any other conflicts of interest with the Group during the six months ended 31st March 2024.

## CORPORATE GOVERNANCE CODE

The Company endeavours to adopt prevailing best corporate governance practices. During the six months ended 31st March 2024, the Company had complied with all the code provisions of the Corporate Governance Code as contained in Appendix C1 to the GEM Listing Rules.

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Required Standard of Dealings**”) as its own code of conduct governing the securities transactions by the Directors. The Company had made specific enquiries of all the Directors and each of them has confirmed that he/she had complied with the Required Standard of Dealings during the six months ended 31st March 2024.

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

During the six months ended 31st March 2024, 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 C1 to the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control and risk management systems of the Group. As at the date of this report, the Audit Committee comprises Mr. Li Wai Ming (chairman), Mr. Wan Chun Wai Andrew and Ms. Chan Chiu Yee Natalie, being the independent non-executive Directors.

The Audit Committee has reviewed the unaudited condensed consolidated results of the Group for the six months ended 31st March 2024 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, 30th May 2024

*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.*

**EDICO Holdings Limited**  
**鉅京控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8450)**

*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

*Registered office in the Cayman Islands:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

*Head Office and principal place of  
business in Hong Kong:*

8/F., Wheelock House

20 Pedder Street

Central

Hong Kong

5 November 2024

*To the Independent Shareholders:*

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
ASTRUM CAPITAL MANAGEMENT LIMITED  
FOR AND ON BEHALF OF JANTIX MANAGEMENT LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
EDICO HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED  
OR AGREED TO BE ACQUIRED BY JANTIX MANAGEMENT LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT)**

**INTRODUCTION**

Reference is made to the Joint Announcement in relation to, among other things, the Acquisition and the Offer. Terms used in this letter shall have the same meanings as defined in the Composite Document unless the context otherwise requires.

As disclosed in the Joint Announcement, the Board was notified by the Vendor that on 8 October 2024 (before trading hours), the Vendor, the Vendor Guarantor and the Offeror entered into the Share Purchase Agreement pursuant to which the Vendor agreed to sell, and the Offeror agreed to purchase, the Sale Shares (being 560,000,000 Shares, representing 56.0% of the total issued share capital of the Company as at the Latest Practicable Date) for a total cash Consideration of HK\$33,600,000 (being HK\$0.06 per Sale Share).

Immediately prior to Completion, the Offeror and parties acting in concert with it did not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately after Completion (which took place immediately after signing of the Share Purchase Agreement on 8 October 2024) and as at the Latest Practicable Date, the Offeror and parties acting in concert with it hold in aggregate 560,000,000 Shares, representing 56.0% of the total issued share capital of the Company.

The Offeror is therefore required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it. Astrum Capital is making the Offer for and on behalf of the Offeror.

As at the date of the Latest Practicable Date, there were 1,000,000,000 Shares in issue and the Company has no other outstanding Shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other relevant securities in the Company (as defined in Note 4 to Rule 22 of the Takeovers Code), and has not entered into any agreement for the issue of such Shares, options, warrants, derivatives or other relevant securities that are convertible or exchangeable into Shares or other relevant securities in the Company.

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things, (i) further information relating to the Group, the Offeror and the Offer; (ii) the letter from Astrum Capital containing details of the Offer; (iii) the letter from the Independent Board Committee containing its recommendations to the Independent Shareholders in relation to the Offer; and (iv) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders on whether the Offer is fair and reasonable so far as the Independent Shareholders are concerned and on acceptance of the Offer.

## **THE OFFER**

As disclosed in the section headed “Letter from Astrum Capital” in this Composite Document, Astrum Capital is making the Offer for and on behalf of the Offeror to acquire the Offer Shares on the following basis:

**For each Offer Share..... HK\$0.06 in cash**

The Offer Price of HK\$0.06 per Offer Share is the same as the price of HK\$0.06 per Sale Share paid by the Offeror under the Share Purchase Agreement.

The Consideration was paid by the Offeror to the Vendor in cash with its internal resources.

The Offer is unconditional in all respects and extended to the Independent Shareholders in accordance with the Takeovers Code.

Under the terms of the Offer, the Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrances and together with all rights and benefits attached thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of this Composite Document.

The Company confirms that, as at the Latest Practicable Date, (i) it did not declare any dividend which is not yet paid; and (ii) it did not have any intention to declare or pay any future dividend or make other distributions during the Offer Period.

### **Further details of the Offer**

Further details of the Offer are set out in the section headed “Letter from Astrum Capital” in this Composite Document and the additional information contained in the appendices to this Composite Document and the accompanying Form of Acceptance.

## **INFORMATION ON THE GROUP**

The Company was incorporated in the Cayman Islands with limited liability and its issued Shares have been listed on GEM of the Stock Exchange since 2 February 2018.

The Group principally engages in the business of providing 24-hour integrated printing services for customers mainly in the financial and capital markets in Hong Kong.

Further details of the Group are set out in Appendix II “Financial Information of the Group” and Appendix III “General Information of the Group” to this Composite Document.

## FINANCIAL INFORMATION OF THE GROUP

Set out below is a summary of certain audited/unaudited consolidated financial information of the Group for (i) each of the two financial years ended 30 September 2022 and 2023 (as extracted from the annual report of the Company for the year ended 30 September 2023); and (ii) the six months ended 31 March 2024 (as extracted from the interim report of the Company for the six months ended 31 March 2024):

	<b>For the six months ended 31 March 2024 <i>HK\$'000</i> (<i>unaudited</i>)</b>	<b>For the year ended 30 September 2023 <i>HK\$'000</i> (<i>audited</i>)</b>	<b>For the year ended 30 September 2022 <i>HK\$'000</i> (<i>audited</i>)</b>
Revenue	14,892	46,499	45,395
Loss before taxation	(3,556)	(7,721)	(5,032)
Loss and total comprehensive expense for the year/period attributable to owners of the Company	(3,556)	(7,680)	(2,781)
	<b>As at 31 March 2024 <i>HK\$'000</i> (<i>unaudited</i>)</b>	<b>As at 30 September 2023 <i>HK\$'000</i> (<i>audited</i>)</b>	<b>As at 30 September 2022 <i>HK\$'000</i> (<i>audited</i>)</b>
Total assets	76,662	90,054	105,777
Total liabilities	22,761	32,597	40,640
Net assets	53,901	57,457	65,137

## SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the authorized share capital of the Company was HK\$50,000,000 divided into 5,000,000,000 ordinary shares, and there were 1,000,000,000 Shares in issue. Save as aforesaid, the Company has no other outstanding Shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other relevant securities in the Company (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date.



The shareholding structure of the Company (i) immediately prior to Completion; and (ii) immediately upon Completion and as at the Latest Practicable Date are as follows:

	<b>(i) Immediately prior to Completion</b>		<b>(ii) Immediately upon Completion and as at the Latest Practicable Date</b>	
	<i>Number of Shares</i>	<i>Appr. % of issued Shares</i>	<i>Number of Shares</i>	<i>Appr. % of issued Shares</i>
The Offeror and parties acting in concert with it	—	—	560,000,000	56.0
The Vendor	560,000,000	56.0	—	—
Ms. Yuen	192,200,000	19.2	192,200,000	19.2
Public Shareholders	<u>247,800,000</u>	<u>24.8</u>	<u>247,800,000</u>	<u>24.8</u>
<b>Total</b>	<b><u>1,000,000,000</u></b>	<b><u>100.00</u></b>	<b><u>1,000,000,000</u></b>	<b><u>100.00</u></b>

## **INFORMATION ON THE OFFEROR**

Your attention is drawn to the paragraphs headed “Information on the Offeror” in the “Letter from Astrum Capital” and Appendix IV “General Information of the Offeror” to this Composite Document for information on the Offeror.

## **INTENTIONS OF THE OFFEROR REGARDING THE GROUP**

Your attention is drawn to the section headed “Letter from Astrum Capital — Intentions of the Offeror regarding the Group” in this Composite Document.

The Board is aware of the Offeror’s intentions in relation to the Group and its employees as set out in the section headed “Letter from Astrum Capital — Intentions of the Offeror regarding the Group” in this Composite Document. The Board is willing to render reasonable cooperation with the Offeror and continue to act in the best interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Board comprises two executive Directors, namely Mr. Chan Tsang Tieh and Mrs. Donati Chan Yi Mei Amy, and three independent non-executive Directors, namely Mr. Li Wai Ming, Mr. Wan Chun Wai Andrew and Ms. Chan Chiu Yee Natalie.

The Board is aware that as at the Latest Practicable Date, the Offeror intended to nominate new director(s) to the Board with effect from a date which is no earlier than such date as permitted under the Takeovers Code or such later date as the Offeror considers to be appropriate. As at the

Latest Practicable Date, none of the existing Directors has intention to resign from the Board. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and/or the GEM Listing Rules and further announcement(s) will be made as and when appropriate.

## **PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Board is aware that the Offeror intends to maintain the listing of the Shares on GEM of the Stock Exchange following the close of the Offer and that the Offeror does not intend to avail itself of any powers of compulsory acquisition of any outstanding Offer Shares after the close of the Offer.

According to the shareholding structure of the Company as at the Latest Practicable Date as set out in the section headed “Shareholding Structure of the Company”, there was a shortfall in the Company’s public float of approximately 0.2% given that only approximately 24.8% of the Shares were held in the hand of the Public Shareholders (the “**Shortfall**”). Based on the information available to the Company, the Shortfall was caused by the completion of sale and purchase of 190,000,000 Shares between 2 Shareholders in around November 2021, where the percentage of interest in the Company of the purchaser Shareholder, Ms. Yuen, had increased from 0.22% to 19.20%. As a result of the said acquisition, Ms. Yuen became a substantial shareholder of the Company and, accordingly, a core connected person of the Company, and Ms. Yuen was no longer recognised as a member of the public pursuant to Rule 11.23 of the GEM Listing Rules.

The Offeror will, together with the Company, use reasonable endeavours to maintain the listing status of the Shares on GEM of the Stock Exchange and procure that not less than 25% of the entire issued share capital in the Company be held by the public in compliance with the GEM Listing Rules after the close of the Offer. The Board is aware that it is the intention of the Offeror to engage a placing agent and restore the minimum public float of Shares by way of placement of existing Shares to independent third parties. The Board is also aware that the Offeror will ascertain the number of existing Shares to be placed by the placing agent, depending on the outcome of the Offer and to the extent the minimum public float is restored, on the Closing Date. It is expected that the placement of existing Shares will complete and the public float of the Company will be restored by the later of (i) the end of December 2024; or (ii) 30 days after closing of the Offer.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) that there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares. Therefore, it should be noted that, upon close of the Offer, there will be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares.

The Board is aware that the sole director of the Offeror has undertaken, and the new Director(s) (if any) proposed by the Offeror will jointly and severally undertake, to the Stock Exchange to take appropriate steps following the close of the Offer to ensure that such number of Shares as may be required by the Stock Exchange are held by the public within the prescribed time frame. Further announcement(s) will be made by the Company regarding the restoration of public float as and when appropriate.

In addition, in order to prevent similar incidents of having insufficient public float in the Shares as required under Rule 11.23 of the GEM Listing Rules from occurring in the future, the Company has taken/will take the following remedial actions and measures:

1. the management and the company secretary of the Company shall continue to oversee and monitor the effectiveness and efficiency of the Company's on-going compliance system and the relevant corporate governance measures;
2. conduct internal training session on compliance of the GEM Listing Rules, in particular in relation to public float requirements and definitions of public shareholders, to refresh and reinforce the understanding in the relevant concepts;
3. closely monitor the registers of the Company and the disclosure of interests made by the Shareholders on a regular basis to keep track of the public float of the Company; and
4. assign additional manpower to crosscheck public records and disclosures of the Company to avoid inadvertent oversights.

#### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee, comprising all the independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Li Wai Ming, Mr. Wan Chun Wai Andrew and Ms. Chan Chiu Yee Natalie, has been established pursuant to Rules 2.1 and 2.8 of the Takeovers Code to advise the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

Messis Capital has been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

The full texts of the letter from the Independent Board Committee addressed to the Independent Shareholders and the letter from the Independent Financial Adviser addressed to the Independent Board Committee and the Independent Shareholders are set out in this Composite Document.

**You are advised to read both letters and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offer.**

## RECOMMENDATION

Your attention is drawn to (i) the section headed “Letter from the Independent Board Committee” as set out on pages 28 to 29 of this Composite Document, which contains its advice and recommendations to the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer; and (ii) the section headed “Letter from the Independent Financial Adviser” as set out on pages 30 to 42 of this Composite Document, which contains its advice and recommendations to the Independent Board Committee and the Independent Shareholders in respect of the Offer and, in particular as to whether the Offer is fair and reasonable and as to the acceptance thereof, and the principal factors considered by it in arriving at its advice and recommendation. In particular, the Board is aware that:

- (i) the Independent Financial Adviser, having taken into consideration principal factors including (1) the persistent loss making position of the Group and uncertain recovery of the higher margin listing related services segment which is crucial to the profitability of financial printing business; (2) the current headwind and slowdown in Hong Kong IPO market that casts uncertainty over the prospect and business outlook of the financial printing industry; (3) the Offer Price is close to the Highest Share Price and represents a premium of approximately 20% to the average share price for the Review Period; (4) the current market price of the Shares as at the Latest Practicable Date which is higher than the Offer Price may be resulted from short term stimulation of the Offer and may not be sustainable; (5) the Offer provides an opportunity for the Independent Shareholders to realise their investments in the Company at a fixed price amidst low trading liquidity of the Shares; and (6) the valuation metrics of P/S and P/B represented by the Offer Price are better than that of the Comparable Companies, considered the Offer to be fair and reasonable and recommended the Independent Board Committee to advise the Independent Shareholders to accept the Offer;
- (ii) the Independent Financial Adviser has pointed out that as the Shares has been trading above the Offer Price as at the Latest Practicable Date, the Independent Shareholders who would like to realise their investments in the Shares are reminded to closely monitor the market price and liquidity of the Shares during the Offer Period and may, instead of accepting the Offer, consider selling their Shares in the open market should such sale proceeds, net of all transaction costs, exceed the amount receivable under the Offer, while Independent Shareholders who believe that they will not be able to sell the Shares in the market at a price higher than the Offer Price because of their size of the shareholding may consider the Offer as an alternative exit of their investments; and
- (iii) the Independent Board Committee, having taken into account the terms of the Offer and the independent advice from the Independent Financial Adviser, as well as the principal factors and reasons considered in arriving at the Independent Financial Adviser’s recommendation, concurred with the view of the Independent Financial Adviser and considered that the Offer is fair and reasonable and recommended the Independent Shareholders to accept the Offer.

The Independent Shareholders are urged to read those letters carefully before taking any action in respect of the Offer.

#### **ADDITIONAL INFORMATION**

Your attention is drawn to the additional information contained in the appendices to this Composite Document. You are also recommended to read carefully Appendix I to this Composite Document and the accompanying Form of Acceptance for further details in respect of the procedures for acceptance of the Offer.

In considering what action to take in connection with the Offer, you should consider your own tax positions, if any, and, in case of any doubt, consult your professional advisers.

Yours faithfully,

For and on behalf of the Board of  
**EDICO Holdings Limited**

A handwritten signature in black ink, appearing to be 'Chan Tsang Tieh', written in a cursive style.

**Chan Tsang Tieh**

*Chairman and Executive Director*

*\* For identification purpose only*

# **EDICO Holdings Limited**

**鉅京控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8450)**

5 November 2024

*To the Independent Shareholders:*

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
ASTRUM CAPITAL MANAGEMENT LIMITED  
FOR AND ON BEHALF OF JANTIX MANAGEMENT LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
EDICO HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED  
OR AGREED TO BE ACQUIRED BY JANTIX MANAGEMENT LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT)**

## **INTRODUCTION**

We refer to the Composite Document dated 5 November 2024 of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as those defined in the Composite Document.

We have been appointed by the Board to form the Independent Board Committee to consider the Offer and to advise to you as to, in our opinion, whether or not the Offer is fair and reasonable so far as the Independent Shareholders are concerned, and to make recommendation as to acceptance of the Offer after taking into account the advice from the Independent Financial Adviser. We have declared that we are independent and have no direct or indirect interests in the Offer, and therefore are able to consider the Offer and to make recommendations to the Independent Shareholders.

Messis Capital Limited has been appointed with our approval as the Independent Financial Adviser to advise us and the Independent Shareholders in respect of the Offer, in particular, as to whether the Offer is, or is not, fair and reasonable, and as to the acceptance thereof. Your attention is drawn to the section headed “Letter from the Independent Financial Adviser” set out on pages 30 to 42 of the Composite Document which contains the details of the Independent Financial Adviser’s advice and the principal factors and reasons taken into consideration in arriving at its recommendation in respect of the Offer.

We also wish to draw your attention to the section headed “Letter from Astrum Capital” set out on pages 9 to 18 of the Composite Document, the section headed “Letter from the Board” set out on pages 19 to 27 of the Composite Document and the additional information set out in the Composite Document, including the appendices to the Composite Document and the accompanying Form of Acceptance in respect of the terms of the Offer and acceptance and settlement procedures for the Offer.

## **RECOMMENDATION**

Having taken into account the terms of the Offer and the independent advice from the Independent Financial Adviser, as well as the principal factors and reasons considered in arriving at its recommendation, we concur with the view of the Independent Financial Adviser and consider that the Offer is fair and reasonable. As such, we recommend the Independent Shareholders to accept the Offer.

Notwithstanding our recommendation, the Independent Shareholders are strongly advised that the decision to realise or to hold your investment is subject to individual circumstances and investment objectives. If in doubt, the Independent Shareholders should consult your own professional advisers for professional advice. Furthermore, the Independent Shareholders who wish to accept the Offer are recommended to read carefully the terms and procedures for acceptance of the Offer as detailed in the Composite Document and the accompanying Form of Acceptance.

Yours faithfully,  
For and on behalf of the Independent Board Committee of  
**EDICO Holdings Limited**

A handwritten signature in black ink, consisting of a large, stylized 'L' shape followed by a horizontal line and a vertical line that curves upwards and to the right.

**Li Wai Ming**  
*Independent non-executive  
Director*

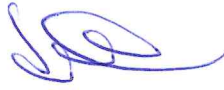
**Wan Chun Wai Andrew**  
*Independent non-executive  
Director*

**Chan Chiu Yee Natalie**  
*Independent non-executive  
Director*

*\* For identification purpose only*



Yours faithfully,  
For and on behalf of the Independent Board Committee of  
**EDICO Holdings Limited**



**Li Wai Ming**  
*Independent non-executive  
Director*

**Wan Chun Wai Andrew**  
*Independent non-executive  
Director*

**Chan Chiu Yee Natalie**  
*Independent non-executive  
Director*

*\* For identification purpose only*

Yours faithfully,  
For and on behalf of the Independent Board Committee of  
**EDICO Holdings Limited**

**Li Wai Ming**  
*Independent non-executive*  
*Director*

**Wan Chun Wai Andrew**  
*Independent non-executive*  
*Director*



**Chan Chiu Yee Natalie**  
*Independent non-executive*  
*Director*

\* For identification purpose only

5 November 2024

*To: The Independent Board Committee and the Independent Shareholders*

Dear Sirs,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
ASTRUM CAPITAL MANAGEMENT LIMITED  
FOR AND ON BEHALF OF JANTIX MANAGEMENT LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
EDICO HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED  
OR AGREED TO BE ACQUIRED BY JANTIX MANAGEMENT LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT)**

**INTRODUCTION**

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer and as to the acceptance of the Offer. Details of the Offer are set out in the composite document of the Company dated 5 November 2024 (the “**Composite Document**”), of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

Jantix Management Limited and the Company jointly announced that on 8 October 2024 (before trading hours), the Vendor, the Vendor Guarantor and the Offeror entered into the Share Purchase Agreement pursuant to which the Vendor agreed to sell, and the Offeror agreed to purchase, the Sale Shares, being 560,000,000 Shares (representing 56.0% of the total issued share capital of the Company as at the Latest Practicable Date), for a total cash Consideration of HK\$33,600,000 (being HK\$0.06 per Sale Share).

Prior to Completion, the Offeror and parties acting in concert with it did not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Immediately following Completion, the Offeror and parties acting in concert with it hold in aggregate 560,000,000 Shares, representing 56.0% of the total issued share capital of the Company. The Offeror is therefore required under Rule 26.1 of the Takeovers Code to make the Offer for all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it.

### **The Offer**

Astrum Capital is making the Offer with the Offer Price of HK\$0.06 in cash for and on behalf of the Offeror. The Offer is unconditional in all respects when it is made. On 7 October 2024, the Offeror received the Non-accepting Irrevocable Undertaking from Ms. Yuen, who is interested in a total of 192,200,000 Non-accepting Shares, representing approximately 19.2% of the total issued share capital of the Company as at the Latest Practicable Date. Assuming that there is no change in the issued share capital of the Company and based on a total of 247,800,000 Shares which will be subject to the Offer (excluding the Non-accepting Shares) and the Offer Price of HK\$0.06 per Offer Share, the anticipated total consideration payable to accepting Independent Shareholders under the Offer would be HK\$14,868,000 in the event that the Offer is accepted in full by the Independent Shareholders except for Ms. Yuen.

For the principal terms of the Offer, together with the information of the Offeror and the Offeror's intention regarding the Group, please refer to the "Letter from Astrum Capital" contained in the Composite Document.

### **INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee comprising all the independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Li Wai Ming, Mr. Wan Chun Wai Andrew and Ms. Chan Chiu Yee Natalie, has been established pursuant to Rules 2.1 and 2.8 of the Takeovers Code to advise the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

We, Messis Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer. We are not associated or connected with the Company or the Offeror, their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them and, accordingly, are considered eligible to give independent advice on the Offer. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company or the Offeror, their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them. This letter contains our advice to the Independent Board Committee and the Independent Shareholders as to (i) whether the Offer is fair and reasonable; and (ii) whether the Offer is in the interests of the Independent Shareholders as a whole.

## **BASIS OF OUR OPINION**

In formulating our advice, we have relied solely on the statements, information, opinions and representations contained in the Composite Document and the information and representations provided to us by the Group and/or the Directors and/or the senior management of the Company (the “**Management**”). We have reviewed the published information on the Company, amongst others, (i) annual report for the year ended 30 September 2022 (the “**2022 Annual Report**”); (ii) annual report for the year ended 30 September 2023 (the “**2023 Annual Report**”); and (iii) interim report for the six months ended 31 March 2024 (the “**2024 Interim Report**”), and other information contained in the Composite Document. We have also reviewed the trading performance of the Shares on the Stock Exchange. We have assumed that all statements, information, opinions and representations contained or referred to in the Composite Document or otherwise provided or made or given by the Management, for which they are solely responsible, are true and accurate at the time when they were provided and continue to be so as at the Latest Practicable Date. We have no reason to doubt the truth and accuracy of the information provided to us or to believe that any material facts have been omitted or withheld. We have, however, not conducted any independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied to us. Should there be any subsequent material changes which occur during the period from the date of the Composite Document up to the date of closing of the Offer, we will notify the Independent Board Committee and the Independent Shareholders as soon as possible.

We have not considered the tax implications on the Independent Shareholders of their acceptances or non-acceptances of the Offer (as the case may be) since these are particular to their own individual circumstances. In particular, the Independent Shareholders who are resident outside Hong Kong or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax position with regard to the Offer and, if in any doubt, should consult their own professional advisers.



## PRINCIPAL FACTORS TAKEN INTO CONSIDERATION ON THE OFFER

In assessing the Offer and in giving our recommendations to the Independent Board Committee and the Independent Shareholders, we have taken into account the following principal factors and reasons:

### 1. Background and financial information of the Group

The Group is principally engaged in the provision of financial printing services in Hong Kong. Set out below is a summary of certain audited/unaudited consolidated financial information of the Group for (i) each of the three financial years ended 30 September 2021, 2022 and 2023 (as extracted from 2022 Annual Report and 2023 Annual Report); and (ii) each of the six months ended 31 March 2023 and 2024 (as extracted from the 2024 Interim Report):

#### *Financial performance of the Group*

	Year ended 30 September			Six months ended	
	2021	2022	2023	2023	2024
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	57,532	45,395	46,499	13,123	14,892
Gross profit	29,588	22,691	22,555	4,902	7,699
Gross profit margin	51.4%	50.0%	48.5%	37.4%	51.7%
Loss before tax	(1,809)	(5,032)	(7,721)	(7,506)	(3,556)
Loss for the year/period	(1,729)	(2,781)	(7,680)	(7,506)	(3,556)

#### *FY2021, FY2022 and FY2023*

As shown in the table above, the revenue of the Group decreased by approximately HK\$12.1 million or 21.1% from approximately HK\$57.5 million in FY2021 to approximately HK\$45.4 million in FY2022. With reference to the 2022 Annual Report, the decrease in revenue was mainly attributable to delays and terminations of projects in relation to listing documents, the contribution of which was halved in FY2022 and decreased by approximately HK\$7.2 million. As discussed with the Management, the handling of listing-related documents such as prospectus used to be the Company's mainstream of revenue, and gross profit margin of this category of service is generally higher. The sluggish capital market in Hong Kong and sharp decrease in listing related projects resulted in a decrease in overall gross profit margin from 51.4% in FY2021 to 50.0% in FY2022. Net loss for the year deteriorated and increased by approximately HK\$1.1 million or 60.8% from approximately HK\$1.7 million in FY2021 to approximately HK\$2.8 million in FY2022. The increase in net loss for the year was mainly because of the relatively inelastic operating costs such as office rental and salaries that cannot be lowered along with the decrease in revenue.

Revenue of the Group remained stable and slightly increased by approximately HK\$1.1 million or 2.42% from approximately HK\$45.4 million in FY2022 to approximately HK\$46.5 million in FY2023. The slight increase in revenue was mainly attributable to (i) increase in revenue generated from handling of periodical reporting documents; which was countered by (ii) decrease in revenue generated from handling of listing-related documents. Despite the slight improvement in revenue in FY2023, the further decrease in listing related projects during the year has resulted in further drop in overall gross profit margin from 50.0% in FY2022 to 48.5% in FY2023 and net loss for the year further deteriorated and increased by approximately HK\$4.9 million or 176.2% from approximately HK\$2.8 million in FY2022 to approximately HK\$7.7 million in FY2023. With reference to the 2023 Annual Report, the increase in net loss for the year was mainly attributable to increase of impairment losses on trade receivables and contract assets related to stage payments entitled to the Group for its performance over contract service period under expected credit loss model in FY2023 which was calculated based on days past due of trade receivables.

#### *1H2023 and 1H2024*

Revenue of the Group increased by approximately HK\$1.8 million or 13.5% from approximately HK\$13.1 million in 1H2023 to approximately HK\$14.9 million in 1H2024. With reference to the 2024 Interim Report, the increase in revenue was mainly attributable to a significant increase in revenue generated from handling listing-related documents as a result of an increase in the number of new customers successfully listed on the Stock Exchange during the half year financial period. Capitalized on the recovery of higher margin listing related projects in 1H2024, the Group improved its overall gross profit margin from 37.4% in 1H2023 to 51.7% in 1H2024. With the increase in revenue and gross profit, net loss for the period also improved from approximately HK\$7.5 million in 1H2023 to approximately HK\$3.6 million in 1H2024.

The Group has been suffering from persistent net losses over the previous three financial years. Despite the improvement in financial performance in 1H2024 driven by completion of some listing related projects, the Company has yet to escape from loss marking position and the recovery of this higher margin listing related services remain to be seen. The Management considers that handling of listing-related documents which are directly connected with IPO deals and other fund raising exercises in Hong Kong capital market used to be a key driver to the growth and profitability of the Group. Revenue generated from services such as handling of periodical reporting documents, compliance documents and other marketing collaterals remains stable over time. As discussed in the 2023 Annual Report, the Management considered that the operating environment is challenging amid sluggish Hong Kong capital market. With significant drop in IPO deals and weak fund raising activities in secondary market, the financial printing services business loses steam and is under severe pressure.

### **Financial position of the Group**

	As at 30 September 2023 (audited) HK\$'000	As at 31 March 2024 (unaudited) HK\$'000
Non-current assets	12,682	8,273
Current assets	77,372	68,389
Non-current liabilities	2,737	460
Current liabilities	29,860	22,301
Net current assets	47,512	46,088
Net assets	57,457	53,901

As at 30 September 2023 and 31 March 2024, the total assets of the Group were approximately HK\$90.1 million and HK\$76.7 million, respectively. The financial printing business is an asset light business where the Group's assets mainly comprised fixed deposits and cash and cash equivalents. Total liabilities of the Group were approximately HK\$32.6 million and HK\$22.8 million as at 30 September 2023 and 31 March 2024 respectively which mainly comprised (i) advance payment from customers that give rise to contract liabilities of the Group; and (ii) lease liabilities arising from lease contracts for leased premises.

The Group's net assets remained stable at approximately HK\$57.5 million and HK\$53.9 million as at 30 September 2023 and 31 March 2024 respectively.

## **2. Industry overview and outlook of the Group**

To understand and assess key factors affecting the prospects and outlook of the Group, we have discussed with the Management and reviewed the percentage of revenue attributable to each category of documents since initial listing of the Company on the Stock Exchange in year 2018 as tabled below:

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Listing-related documents	50.1%	55.4%	32.7%	50.6%	24.7%	15.4%	10.7%
Periodical reporting documents	29.2%	27.1%	42.3%	30.6%	44.1%	51.8%	59.3%
Compliance documents	18.6%	15.0%	20.8%	16.6%	25.3%	28.1%	26.3%
Miscellaneous and marketing collaterals	2.1%	2.5%	4.2%	2.2%	5.9%	4.7%	3.7%
<b>Financial performance for the year</b>	Net profit	Net profit	Net loss	Net profit	Net loss	Net loss	Net loss



As observed from the table above, we notice that the Group recorded net profits only when revenue generated from handling of listing-related documents accounted for a major part of total revenue (i.e. over 50% of the total revenue). As discussed with the Management, we are given to understand that listing-related projects such as IPO financial printing services could generally charge higher service fees and therefore could attain higher gross profit margins under a relatively inelastic cost structure of the printing business. Given that the provision of listing related financial printing services constitutes a key driver to profitability of the Group, we concur with the view of the Directors that headwind and slowdown in Hong Kong IPO market would have an adverse impact on the prospect and business outlook of the Group.

With reference to the 2023 Annual Report, the Management considers that the operating environment will continue to face multiple challenges and the general sentiment of the Hong Kong capital market has yet to recover and the Group is not expecting the market to rebound quickly. We have conducted research on the publicly available statistics released by the Stock Exchange and set forth below (i) the total number of listed companies; (ii) the number of newly listed companies; and (iii) the number of new listing applications accepted, in each of the past 5 years:

	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
Number of listed companies	2,449	2,538	2,572	2,597	2,609
Number of newly listed companies for the year	183	154	98	90	73
Number of new listing applications accepted in the year	Not available	231	316	187	136

*Source:*

- (1) Annual market statistics, The Stock Exchange of Hong Kong Limited
- (2) Report on Initial Public Offering Applications, Delisting and Suspensions, The Stock Exchange of Hong Kong Limited

As discussed with the Management, we are given to understand that contracts of regular printing services provided to listed companies such as handling of periodical reporting documents and compliance documents are basically recurring business. Service fees to be earned from the provision regular printing services depend on the number of listed companies served by the Group and directly correlate with the number of listed companies in Hong Kong. Contracts of listing-related projects such as IPO financial printing services contain stage payment schedule setting out specific milestones such as submission of new listing application and successful listing of companies. We are given to understand that a large portion of the service fees from listing-related

projects are earned upon successful listing of companies. Accordingly, revenue to be generated from provision of IPO financial printing services largely correlate with the newly listed companies for a particular year.

As shown in the table above, the number of listed companies stabilized and hovered around the level of 2,500 to 2,600 companies in the past five years. The number of newly listed companies each year has been decreasing over the past five years. The number of new listing applications also peaked at 316 cases in year 2021 and sharply decreased by approximately 40.8% to 187 cases in year 2022 and further decreased by approximately 27.3% to 136 cases in year 2023. The latest number of newly listed companies on the Stock Exchange in year 2023 only represented less than 40% of that in year 2019.

To revitalize the overshadowed capital market, the Hong Kong government has taken initiatives to strengthen Hong Kong's financial centre status. With reference to the 2024 Policy Address, the Hong Kong government targets to strive for more listing of enterprises in Hong Kong and encourage both international enterprises and large-scale Mainland enterprises to list in Hong Kong. Furthermore, specific measures will be announced by SFC and the Stock Exchange to optimize vetting of listing applications.

While there are a number of favorable policies to be implemented that may help enhance the Hong Kong capital market, having considered that (i) regular printing services such as handling of periodical reporting documents and compliance documents are not expected to be the propeller of growth given the stable number of listed companies over years; and (ii) the listing related projects which represent a key driver to profitability of financial printing business have yet to show recovery amid the current headwind and slowdown in Hong Kong IPO market, we remain cautious about the future prospect and outlook of the financial printing industry.

### **3. Analysis of price performance and trading liquidity**

#### ***Offer Price comparison***

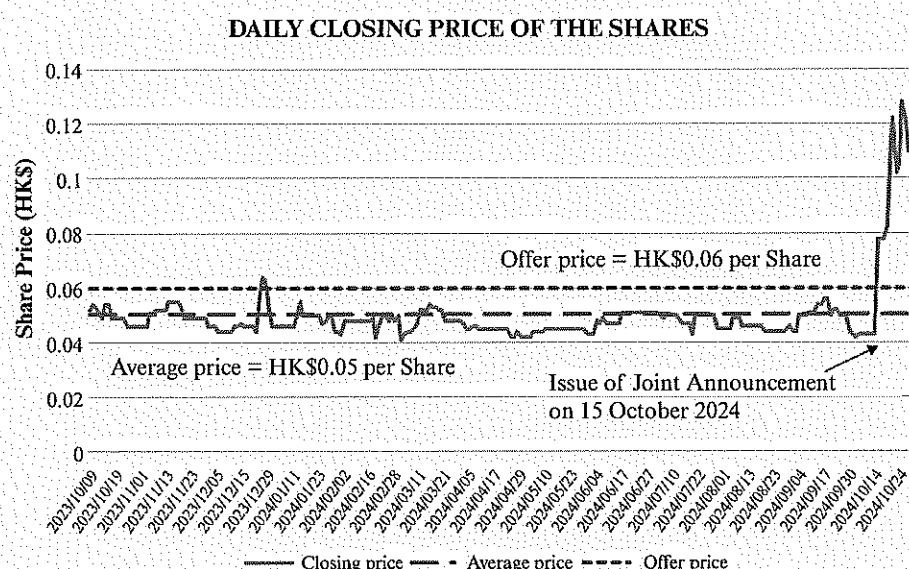
The Offer Price of HK\$0.06 per Offer Share represents:

- (i) a premium of approximately 39.53% over the closing price of HK\$0.0430 per Share as quoted on the Stock Exchange on 7 October 2024, being the Last Trading Day;
- (ii) a premium of approximately 35.14% over the average closing price of HK\$0.0444 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a discount of approximately 45.45% to the closing price of HK\$0.11 per Share as quoted on the Stock Exchange on the Latest Practicable Date

We have conducted further analysis on the fairness and reasonableness of the Offer Price as presented below.

### Historical Share price movement

In order to assess the fairness and reasonableness of the Offer Price, we have performed a review on the daily closing prices of the Shares from 8 October 2023, being one year prior to the Last Trading Day (the “**Pre-Announcement Period**”), and from the Last Trading Day up to the Latest Practicable Date (the “**Post-Announcement Period**”) (collectively the “**Review Period**”). We consider that the one full year duration of the Review Period would be a reasonable and sufficient period to illustrate the closing price movement of the Shares as it can fairly and sufficiently reflect the market perception on the Company’s financial performance and outlook. The daily closing prices of the Shares for the Review Period are illustrated as follows:



As shown in the chart above, during the Pre-Announcement Period, the average share price was approximately HK\$0.048 per Share (the “**Average Share Price**”). The daily closing price ranged from HK\$0.041 per Share (the “**Lowest Share Price**”) to HK\$0.064 per Share (the “**Highest Share Price**”) during the Pre-Announcement Period. The reason for sudden surge in share price to the Highest Share Price on 28 December 2023 was unknown to the Management. The Offer Price of HK\$0.06 represents (i) a premium of approximately 46.3% to the Lowest Share Price; (ii) a discount of approximately 6.25% to the Highest Share Price; and (iii) a premium of approximately 25% to the Average Share Price for the Pre-Announcement Period.

Following the issue of Joint Announcement on 15 October 2024, the share price surged sharply from approximately HK\$0.043 per Share on the Last Trading Day to the highest of approximately HK\$0.128 per Share recorded on 28 October 2024, representing an increase of approximately 197.7% during the period. During the Post-Announcement Period, the average closing price of Shares was approximately HK\$0.10 which is higher than the Offer Price by

approximately 66.7%. The Offer Price of HK\$0.06 represents a discount of approximately 45.45% to the closing price of HK\$0.11 per Share as at the Latest Practicable Date. We consider that the short term increase in the Share price after the Joint Announcement may reflect the market anticipation of the favourable effects to be brought by the change of the controlling shareholder of the Company.

We notice that the Offer Price of HK\$0.06 per Share (i) is close to the Highest Share Price during the Pre-Announcement Period; (ii) represents a premium of approximately 20% to the average share price of HK\$0.05 per Share during the Review Period; and (iii) is better than the closing prices of 243 out of 258 trading days (excluding trading halt prior to issue of Joint Announcement) during the Review Period.

#### *Historical trading liquidity of the Shares*

The following table sets out the trading volume of the Shares during the Review Period:

Month/period	Total trading volume (No. of Shares)	No. of trading days	Average daily trading volume of the Shares	Percentage of average daily trading volume to total number of Shares held by public Shareholders at the end of the relevant month/period (Note)
<b>Year 2023</b>				
October (from 8 October 2023)	4,360,000	16	272,500	0.06%
November	2,530,000	22	115,000	0.03%
December	6,270,000	19	330,000	0.08%
<b>Year 2024</b>				
January	4,360,000	22	198,182	0.05%
February	2,110,000	19	111,053	0.03%
March	1,280,000	20	64,000	0.01%
April	1,400,000	20	70,000	0.02%
May	1,130,000	21	53,810	0.01%
June	1,480,000	19	77,895	0.02%
July	1,900,000	22	86,364	0.02%
August	1,460,000	22	66,364	0.02%
September	3,720,000	19	195,789	0.04%
October	114,110,000	21	5,433,810	1.23%
November (up to the Latest Practicable Date)	790,000	1	790,000	0.18%

*Note:* Based on the average daily trading volume of Shares divided by total number of Shares held by public Shareholders (i.e. 440,000,000 Shares)

As shown in the table above, during the Review Period, the trading liquidity of the Shares remains generally thin with the average daily trading volume ranging from approximately 0.01% to 1.23% of the total number of Shares held by public Shareholders. Except for the increase in trading volume in October 2024 up to the Latest Practicable Date which is believed to be stimulated by the Offer following the issue of the Joint Announcement on 15 October 2024, the average daily trading volume for each month during the Review Period is below 1%. Such thin liquidity would suggest that any sale of large number of Shares on the market over a short period of time may be difficult without exerting downward pressure on the price of the Shares. Therefore, the Offer provides an opportunity for the Independent Shareholders to realise their investments in the Company at a fixed price.

#### 4. Market comparable analysis

For market comparable analysis, we have identified listed companies on the Stock Exchange engaging in similar business of the Group with similar size (the “Comparable Companies”). In selection of the Comparable Companies, our selection criteria focused on companies that (i) are principally engaged in provision of financial printing services; and (ii) have market capitalization not exceeding HK\$100 million which is considered small cap companies and comparable to the market capitalization of the Group of HK\$43 million as at the Last Trading Day being the last trading day prior to the release of terms of the Offer and the market factoring in any information arising from the Offer. The Comparable Companies selected based on the above selection criteria are exhaustive and are thus considered fair and representative samples.

Since the Company is loss making in FY2023, we have compared the price to sales ratio (“P/S”) and price to book ratio (“P/B”) of the Company and the Comparable Companies, a summary of which is set out in the table below:

Stock code	Company name	Market capitalization (Note 1) HK\$'000	P/S (Note 2)	P/B (Note 3)
8416	HM International Holdings Limited	45,091	0.3	0.5
1631	REF Holdings Limited	64,000	0.5	0.8
1841	A.Plus Group Holdings Limited	86,000	0.7	0.8
		<b>Average</b>	0.5	0.7
		<b>Minimum</b>	0.3	0.5
		<b>Maximum</b>	0.7	0.8
	The Company			
	Based on Offer Price (Note 4)	60,000	1.3	1.1

*Notes:*

1. Calculated based on the share price and number of shares in issue of the respective Comparable Companies as at the Last Trading Day.

2. Based on the revenue extracted from latest annual reports of the respective Comparable Companies.
3. Based on the net asset value extracted from latest interim/annual reports of the respective Comparable Companies.
4. Market capitalization of the Company is calculated based on the Offer Price and number of shares in issue on Last Trading Day. The revenue for the year ended 30 September 2023 is extracted from the 2023 Annual Report. We note that 12 months have passed since the publication of 2023 Annual Report and the Company is preparing the financial results for FY2024. Having considered that (i) the FY2023 revenue is the latest available audited figure for calculation of valuation metrics; (ii) the FY2023 revenue of HK\$46.5 million approximates to the average revenue of HK\$49.8 million in the previous three financial years; and (iii) the Directors confirm that there has been no material change in the financial or trading position or outlook of the Group since 30 September 2023, we consider that the use of FY2023 revenue in calculation of P/S could fairly reflect the current position of the Company. The net asset value as at 31 March 2024 is extracted from the 2024 Interim Report.

As shown in the table above, the P/S of the Comparable Companies ranged from approximately 0.3 times to approximately 0.7 times, with an average of approximately 0.5 times. The P/S of the Company based on Offer Price of approximately 1.3 times is better than that of the Comparable Companies. The P/B of the Comparable Companies ranged from approximately 0.5 times to approximately 0.8 times, with an average of approximately 0.7 times. The P/B of the Company based on Offer Price of approximately 1.1 times is better than that of the Comparable Companies.

Having considered that (i) the valuation metrics of P/S and P/B represented by the Offer Price are better than that of the Comparable Companies; (ii) the Offer Price is close to the Highest Share Price recorded during the Pre-Announcement Period and represents a premium to the closing prices of 243 out of 258 trading days (excluding trading halt prior to issue of Joint Announcement) during the Review Period, we are of the view that the Offer Price is fair and reasonable so far as the Independent Shareholders are concerned.

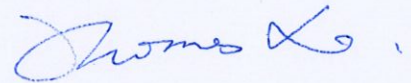
## RECOMMENDATIONS

Taking into consideration the principal factors set out above, in particular, (i) the persistent loss making position of the Group and uncertain recovery of the higher margin listing related services segment which is crucial to the profitability of financial printing business; (ii) the current headwind and slowdown in Hong Kong IPO market that casts uncertainty over the prospect and business outlook of the financial printing industry; (iii) the Offer Price is close to the Highest Share Price and represents a premium of approximately 20% to the average share price for the Review Period; (iv) the current market price of the Shares as at the Latest Practicable Date which is higher than the Offer Price may be resulted from short term stimulation of the Offer and may not be sustainable; (v) the Offer provides an opportunity for the Independent Shareholders to realise their investments in the Company at a fixed price amidst low trading liquidity of the Shares; and (vi) the valuation metrics of P/S and P/B represented by the Offer Price are better than that of the Comparable Companies, we consider the Offer is fair and reasonable. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to accept the Offer.



However, the Independent Shareholder should note that the Shares has been trading above the Offer Price as at the Latest Practicable Date. As such, we would like to remind the Independent Shareholders, who would like to realise part or all of their investments in the Shares, to closely monitor the market price and liquidity of the Shares during the Offer Period and may, instead of accepting the Offer, consider selling their Shares in the open market should such sale proceeds, net of all transaction costs, exceed the amount receivable under the Offer. The Independent Shareholders, who believe that they will not be able to sell the Shares in the market at a price higher than the Offer Price because of their size of the shareholding, may consider the Offer as an alternative exit of their investments.

Yours faithfully,  
For and on behalf of  
**Messis Capital Limited**



**Thomas Lai**  
*Chief Executive Officer*

*Mr. Thomas Lai is a licensed person registered with the Securities and Futures Commission of Hong Kong and regarded as a responsible officer of Mesis Capital Limited to carry out type 6 (advising on corporate finance) regulatory activity under the SFO and has over 29 years of experience in corporate finance industry.*



**PRIVATE & CONFIDENTIAL**

Date: 5 November 2024

**The Board of Directors**  
EDICO Holdings Limited  
8/F., Wheelock House  
20 Pedder Street  
Central  
Hong Kong

Dear Sirs,

**Re: Mandatory Unconditional Cash Offer (the “Offer”) by Astrum Capital Management Limited for and on behalf of Jantix Management Limited (the “Offeror”) to acquire all the issued shares of EDICO Holdings Limited (the “Company”) (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it)**

---

We, Messis Capital Limited, refer to the composite document dated 5 November 2024 jointly issued by the Company and the Offeror to the Shareholders in connection with the captioned transaction (the “**Composite Document**”). Unless otherwise stated, capitalised terms used in this letter shall have the same meanings as those defined in the Composite Document.

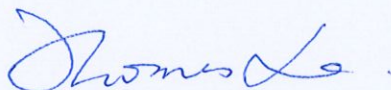
We hereby confirm that:

- (a) we have given and have not withdrawn our written consent to the issue of the Composite Document with the inclusion therein of our opinion, the text of our letter as set out in the section headed “Letter from the Independent Financial Adviser” (the “**Letter from the Independent Financial Adviser**”), reports or advice or recommendation and references to our name included therein in the forms and context in which they respectively appear;
- (b) as at the Latest Practicable Date, we did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (c) as at the Latest Practicable Date, we did not have any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 30 September 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up.



We further consent to the Letter from the Independent Financial Adviser and this letter being available on display from the date of the Composite Document up to and including the Closing Date as described in the Composite Document.

Yours faithfully,  
For and on behalf of  
**Messis Capital Limited**



---

Thomas Lai  
*Chief Executive Officer*

# THE COMPANIES ORDINANCE (CHAPTER 622)

## Private Company Limited by Shares ARTICLES OF ASSOCIATION OF

JANTIX MANAGEMENT LIMITED  
寶庭管理有限公司

### Part A Mandatory Articles

**1. Company Name** The name of the company is  
“JANTIX MANAGEMENT LIMITED  
寶庭管理有限公司”

### 2. Members' Liabilities

The liability of the members is limited.

### 3. Liabilities or Contributions of Members

The liability of the members is limited to any amount unpaid on the shares held by the members.

### 4. Share Capital and Initial Shareholdings (on the company's formation)

The total number of shares that the company proposes to issue

The total amount of share capital to be subscribed by the company's founder members

- (i) The amount to be paid up or to be regarded as paid up
- (ii) The amount to remain unpaid or to be regarded as remaining unpaid

1
HKD 1
HKD 1
HKD 0

Document Ref. No.:  
Submission Date:  
Resubmission Date:

## Class of Shares

The total number of shares in this class that the company proposes to issue

The total amount of share capital in this class to be subscribed by the company's founder members

- (i) The amount to be paid up or to be regarded as paid up
- (ii) The amount to remain unpaid or to be regarded as remaining unpaid

Ordinary
1
HKD 1
HKD 1
HKD 0

I/WE, the undersigned, wish to form a company and wish to adopt the articles of association as attached, and I/we respectively agree to subscribe for the amount of share capital of the Company and to take the number of shares in the Company set opposite my/our respective name(s).

Name(s) of Founder Members	Number of Share(s) and Total Amount of Share Capital
LUI, YU KIN 呂宇健	1 Ordinary shares HKD 1
Total:	1 Ordinary shares HKD 1

## Part B Other Articles

### Part 1 Interpretation

#### 1. Interpretation

(1) In these articles—

**articles** (本《章程細則》) means the articles of association of the company;

**associated company** (有聯繫公司) means—

- (a) a subsidiary of the company;
- (b) a holding company of the company; or
- (c) a subsidiary of such a holding company;

**distribution recipient** (分派對象) means, in relation to a share in respect of which a dividend or other sum is payable—

- (a) the holder of the share;
- (b) if the share has 2 or more joint holders, whichever of them is named first in the register of members; or
- (c) if the holder is no longer entitled to the share by reason of death or bankruptcy or otherwise by operation of law, the transmittee;

**fully paid** (已繳足款), in relation to a share, means the price at which the share was issued has been fully paid to the company;

**holder** (持有人), in relation to a share, means the person whose name is entered in the register of members as the holder of the share;

**mental incapacity** (精神上無行為能力) has the meaning given by section 2(1) of the Mental Health Ordinance (Cap. 136);

**mentally incapacitated person** (精神上無行為能力者) means a person who is found under the Mental Health Ordinance (Cap. 136) to be incapable, by reason of mental incapacity, of managing and administering his or her property and affairs;

**Ordinance** (《條例》) means the Companies Ordinance (Cap. 622);

**paid** (已繳) means paid or credited as paid;

**proxy notice** (代表通知書)—see article 43(1);

**register of members** (成員登記冊) means the register of members of the company;

**transmittee** (承傳人) means a person entitled to a share by reason of the death or bankruptcy of a member or otherwise by operation of law.

- (2) Other words or expressions used in these articles have the same meaning as in the Ordinance as in force on the date these articles become binding on the company.
- (3) For the purposes of these articles, a document is authenticated if it is authenticated in any way in which section 828(5) or 829(3) of the Ordinance provides for documents or information to be authenticated for the purposes of the Ordinance.
- (4) The articles set out in Schedule 2 of the Companies (Model Articles) Notice (Cap. 622H) do not apply to the company.

### Part 2 Private Company

#### 2. Company is private company

(1) The company is a private company and accordingly—

- (a) a member's right to transfer shares is restricted in the manner specified in this article;
- (b) the number of members is limited to 50; and
- (c) any invitation to the public to subscribe for any shares or debentures of the company is prohibited.

(2) The directors may in their discretion refuse to register the transfer of a share.

(3) In paragraph (1)(b)—

**member** (成員) excludes—

- (a) a member who is an employee of the company; and
- (b) a person who was a member while being an employee of the company and who continues to be a member after ceasing to be such an employee.

(4) For the purposes of this article, 2 or more persons who hold shares in the company jointly are to be regarded as 1 member.

### Part 3 Directors and Company Secretary

#### Division 1—Directors' Powers and Responsibilities

#### 3. Directors' general authority

(1) Subject to the Ordinance and these articles, the business and affairs of the company are managed by the directors, who may exercise all the powers of the company.

- (2) An alteration of these articles does not invalidate any prior act of the directors that would have been valid if the alteration had not been made.
- (3) The powers given by this article are not limited by any other power given to the directors by these articles.
- (4) A directors' meeting at which a quorum is present may exercise all powers exercisable by the directors.

#### **4. Members' reserve power**

- (1) The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.
- (2) The special resolution does not invalidate anything that the directors have done before the passing of the resolution.

#### **5. Directors may delegate**

- (1) Subject to these articles, the directors may, if they think fit, delegate any of the powers that are conferred on them under these articles—
  - (a) to any person;
  - (b) by any means (including by power of attorney);
  - (c) to any extent and without territorial limit;
  - (d) in relation to any matter; and
  - (e) on any terms and conditions.
- (2) If the directors so specify, the delegation may authorize further delegation of the directors' powers by any person to whom they are delegated.
- (3) The directors may—
  - (a) revoke the delegation wholly or in part; or
  - (b) revoke or alter its terms and conditions.

### **Division 2—Decision-taking by Directors**

#### **6. Directors to take decision collectively**

- (1) A decision of the directors may only be taken—
  - (a) by a majority of the directors at a meeting; or
  - (b) in accordance with article 7.
- (2) Paragraph (1) does not apply if—
  - (a) the company only has 1 director; and
  - (b) no provision of these articles requires it to have more than one director.
- (3) If paragraph (1) does not apply, the director may take decisions without regard to any of the provisions of these articles relating to directors' decision-taking.

#### **7. Unanimous decisions**

- (1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other (either directly or indirectly) by any means that they share a common view on a matter.
- (2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.
- (3) A reference in this article to eligible directors is a reference to directors who would have been entitled to vote on the matter if it had been proposed as a resolution at a directors' meeting.
- (4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at a directors' meeting.

#### **8. Calling directors' meetings**

- (1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorizing the company secretary to give such notice.
- (2) Notice of a directors' meeting must indicate—
  - (a) its proposed date and time; and
  - (b) where it is to take place.
- (3) Notice of a directors' meeting must be given to each director, but need not be in writing.

#### **9. Participation in directors' meetings**

- (1) Subject to these articles, directors participate in a directors' meeting, or part of a directors' meeting, when—
  - (a) the meeting has been called and takes place in accordance with these articles; and

- (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- (2) In determining whether directors are participating in a directors' meeting, it is irrelevant where a director is and how they communicate with each other.
- (3) If all the directors participating in a directors' meeting are not in the same place, they may regard the meeting as taking place wherever any one of them is.

#### **10. Quorum for directors' meetings**

- (1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- (2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors and unless otherwise fixed it is 2 unless there is a sole director, in which case the quorum is 1.

#### **11. Meetings if total number of directors less than quorum**

If the total number of directors for the time being is less than the quorum required for directors' meetings, the directors must not take any decision other than a decision—

- (a) to appoint further directors; or
- (b) to call a general meeting so as to enable the members to appoint further directors.

#### **12. Chairing of directors' meetings**

- (1) The directors may appoint a director to chair their meetings.
- (2) The person appointed for the time being is known as the chairperson.
- (3) The directors may terminate the appointment of the chairperson at any time.
- (4) If the chairperson is not participating in a directors' meeting within 10 minutes of the time at which it was to start or is unwilling to chair the meeting, the participating directors may appoint one of themselves to chair it.

#### **13. Chairperson's casting vote at directors' meetings**

- (1) If the numbers of votes for and against a proposal are equal, the chairperson or other director chairing the directors' meeting has a casting vote.
- (2) Paragraph (1) does not apply if, in accordance with these articles, the chairperson or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

#### **14. Conflicts of interest**

- (1) This article applies if—
  - (a) a director is in any way (directly or indirectly) interested in a transaction, arrangement or contract with the company that is significant in relation to the company's business; and
  - (b) the director's interest is material.
- (2) The director must declare the nature and extent of the director's interest to the other directors in accordance with section 536 of the Ordinance.
- (3) The director must neither—
  - (a) vote in respect of the transaction, arrangement or contract in which the director is so interested; nor
  - (b) be counted for quorum purposes in respect of the transaction, arrangement or contract.
- (4) If the director contravenes paragraph (3)(a), the vote must not be counted.
- (5) Paragraph (3) does not apply to—
  - (a) an arrangement for giving a director any security or indemnity in respect of money lent by the director to or obligations undertaken by the director for the benefit of the company;
  - (b) an arrangement for the company to give any security to a third party in respect of a debt or obligation of the company for which the director has assumed responsibility wholly or in part under a guarantee or indemnity or by the deposit of a security;
  - (c) an arrangement under which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries, which do not provide special benefits for directors or former directors; or
  - (d) an arrangement to subscribe for or underwrite shares.
- (6) A reference in this article (except in paragraphs (5)(d) and (7)) to a transaction, arrangement or contract includes a proposed transaction, arrangement or contract.
- (7) In this article—

**arrangement to subscribe for or underwrite shares** (認購或包銷股份安排) means—

- (a) a subscription or proposed subscription for shares or other securities of the company;
- (b) an agreement or proposed agreement to subscribe for shares or other securities of the company; or
- (c) an agreement or proposed agreement to underwrite any of those shares or securities.

#### **15. Supplementary provisions as to conflicts of interest**

- (1) A director may hold any other office or position of profit under the company (other than the office of auditor and if the company has only 1 director, the office of company secretary) in conjunction with the office of director for a period and on terms (as to remuneration or otherwise) that the directors determine.
- (2) A director or intending director is not disqualified by the office of director from contracting with the company—
  - (a) with regard to the tenure of the other office or position of profit mentioned in paragraph (1); or
  - (b) as vendor, purchaser or otherwise.
- (3) The contract mentioned in paragraph (2) or any transaction, arrangement or contract entered into by or on behalf of the company in which any director is in any way interested is not liable to be avoided.
- (4) A director who has entered into a contract mentioned in paragraph (2) or is interested in a transaction, arrangement or contract mentioned in paragraph (3) is not liable to account to the company for any profit realized by the transaction, arrangement or contract by reason of—
  - (a) the director holding the office; or
  - (b) the fiduciary relation established by the office.
- (5) Paragraph (1), (2), (3) or (4) only applies if the director has declared the nature and extent of the director's interest under the paragraph to the other directors in accordance with section 536 of the Ordinance.
- (6) A director of the company may be a director or other officer of, or be otherwise interested in—
  - (a) any company promoted by the company; or
  - (b) any company in which the company may be interested as shareholder or otherwise.
- (7) Subject to the Ordinance, the director is not accountable to the company for any remuneration or other benefits received by the director as a director or officer of, or from the director's interest in, the other company unless the company otherwise directs.

#### **16. Validity of acts of meeting of directors**

The acts of any meeting of directors or the acts of any person acting as a director are as valid as if the directors or the person had been duly appointed as a director and was qualified to be a director, even if it is afterwards discovered that—

- (a) there was a defect in the appointment of any of the directors or of the person acting as a director;
- (b) any one or more of them were not qualified to be a director or were disqualified from being a director;
- (c) any one or more of them had ceased to hold office as a director; or
- (d) any one or more of them were not entitled to vote on the matter in question.

#### **17. Record of decisions to be kept**

The directors must ensure that the company keeps a written record of every decision taken by the directors under article 6(1) for at least 10 years from the date of the decision.

#### **18. Written record of decision of sole director**

- (1) This article applies if the company has only 1 director and the director takes any decision that—
  - (a) may be taken in a directors' meeting; and
  - (b) has effect as if agreed in a directors' meeting.
- (2) The director must provide the company with a written record of the decision within 7 days after the decision is made.
- (3) The director is not required to comply with paragraph (2) if the decision is taken by way of a resolution in writing.
- (4) If the decision is taken by way of a resolution in writing, the company must keep the resolution for at least 10 years from the date of the decision.
- (5) The company must also keep a written record provided to it in accordance with paragraph (2) for at least 10 years from the date of the decision.

#### **19. Directors' discretion to make further rules**

Subject to these articles, the directors may make any rule that they think fit about—

- (a) how they take decisions; and
- (b) how the rules are to be recorded or communicated to directors.

### **Division 3—Appointment and Retirement of Directors**

#### **20. Appointment and retirement of directors**

- (1) A person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—
  - (a) by ordinary resolution; or
  - (b) by a decision of the directors.
- (2) Unless otherwise specified in the appointment, a director appointed under paragraph (1)(a) holds office for an unlimited period of time.
- (3) An appointment under paragraph (1)(b) may only be made to—
  - (a) fill a casual vacancy; or
  - (b) appoint a director as an addition to the existing directors if the total number of directors does not exceed the number fixed in accordance with these articles.
- (4) A director appointed under paragraph (1)(b) must—
  - (a) retire from office at the next annual general meeting following the appointment; or
  - (b) if the company has dispensed with the holding of annual general meetings or is not required to hold annual general meetings, retire from office before the end of 9 months after the end of the company's accounting reference period by reference to which the financial year in which the director was appointed is to be determined.

#### **21. Retiring director eligible for reappointment**

A retiring director is eligible for reappointment to the office.

#### **22. Termination of director's appointment**

A person ceases to be a director if the person—

- (a) ceases to be a director under the Ordinance or the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) or is prohibited from being a director by law;
- (b) becomes bankrupt or makes any arrangement or composition with the person's creditors generally;
- (c) becomes a mentally incapacitated person;
- (d) resigns the office of director by notice in writing of the resignation in accordance with section 464(5) of the Ordinance;
- (e) for more than 6 months has been absent without the directors' permission from directors' meetings held during that period; or
- (f) is removed from the office of director by an ordinary resolution of the company.

#### **23. Directors' remuneration**

- (1) Directors' remuneration must be determined by the company at a general meeting.
- (2) A director's remuneration may—
  - (a) take any form; and
  - (b) include any arrangements in connection with the payment of a retirement benefit to or in respect of that director.
- (3) Directors' remuneration accrues from day to day.

#### **24. Directors' expenses**

The company may pay any travelling, accommodation and other expenses properly incurred by directors in connection with—

- (a) their attendance at—
  - (i) meetings of directors;
  - (ii) general meetings; or
- (b) the exercise of their powers and the discharge of their responsibilities in relation to the company.

### **Division 4—Directors' Indemnity and Insurance**

#### **25. Indemnity**

- (1) A director or former director of the company may be indemnified out of the company's assets against any liability incurred by the director to a person other than the company or an associated company of the company in connection with any negligence, default, breach of duty or breach of trust in relation to the company or associated company (as the case may be).
- (2) Paragraph (1) only applies if the indemnity does not cover—
  - (a) any liability of the director to pay—
    - (i) a fine imposed in criminal proceedings; or



- (ii) a sum payable by way of a penalty in respect of non-compliance with any requirement of a regulatory nature; or
- (b) any liability incurred by the director—
  - (i) in defending criminal proceedings in which the director is convicted;
  - (ii) in defending civil proceedings brought by the company, or an associated company of the company, in which judgment is given against the director;
  - (iii) in defending civil proceedings brought on behalf of the company by a member of the company or of an associated company of the company, in which judgment is given against the director;
  - (iv) in defending civil proceedings brought on behalf of an associated company of the company by a member of the associated company or by a member of an associated company of the associated company, in which judgment is given against the director; or
  - (v) in connection with an application for relief under section 903 or 904 of the Ordinance in which the Court refuses to grant the director relief.
- (3) A reference in paragraph (2)(b) to a conviction, judgment or refusal of relief is a reference to the final decision in the proceedings.
- (4) For the purposes of paragraph (3), a conviction, judgment or refusal of relief—
  - (a) if not appealed against, becomes final at the end of the period for bringing an appeal; or
  - (b) if appealed against, becomes final when the appeal, or any further appeal, is disposed of.
- (5) For the purposes of paragraph (4)(b), an appeal is disposed of if—
  - (a) it is determined, and the period for bringing any further appeal has ended; or
  - (b) it is abandoned or otherwise ceases to have effect.

## **26. Insurance**

The directors may decide to purchase and maintain insurance, at the expense of the company, for a director of the company, or a director of an associated company of the company, against—

- (a) any liability to any person attaching to the director in connection with any negligence, default, breach of duty or breach of trust (except for fraud) in relation to the company or associated company (as the case may be); or
- (b) any liability incurred by the director in defending any proceedings (whether civil or criminal) taken against the director for any negligence, default, breach of duty or breach of trust (including fraud) in relation to the company or associated company (as the case may be).

## **Division 5—Company Secretary**

### **27. Appointment and removal of company secretary**

- (1) The directors may appoint a company secretary for a term, at a remuneration and on conditions they think fit.
- (2) The directors may remove a company secretary appointed by them.

## **Part 4**

## **Decision-taking by Members**

### **Division 1—Organization of General Meetings**

#### **28. General meetings**

- (1) Subject to sections 611, 612 and 613 of the Ordinance, the company must, in respect of each financial year of the company, hold a general meeting as its annual general meeting in accordance with section 610 of the Ordinance.
- (2) The directors may, if they think fit, call a general meeting.
- (3) If the directors are required to call a general meeting under section 566 of the Ordinance, they must call it in accordance with section 567 of the Ordinance.
- (4) If the directors do not call a general meeting in accordance with section 567 of the Ordinance, the members who requested the meeting, or any of them representing more than one half of the total voting rights of all of them, may themselves call a general meeting in accordance with section 568 of the Ordinance.

#### **29. Notice of general meetings**

- (1) An annual general meeting must be called by notice of at least 21 days in writing.
- (2) A general meeting other than an annual general meeting must be called by notice of at least 14 days in writing.
- (3) The notice is exclusive of—
  - (a) the day on which it is served or deemed to be served; and
  - (b) the day for which it is given.

- (4) The notice must—
  - (a) specify the date and time of the meeting;
  - (b) specify the place of the meeting (and if the meeting is to be held in 2 or more places, the principal place of the meeting and the other place or places of the meeting);
  - (c) state the general nature of the business to be dealt with at the meeting;
  - (d) for a notice calling an annual general meeting, state that the meeting is an annual general meeting;
  - (e) if a resolution (whether or not a special resolution) is intended to be moved at the meeting—
    - (i) include notice of the resolution; and
    - (ii) include or be accompanied by a statement containing any information or explanation that is reasonably necessary to indicate the purpose of the resolution;
  - (f) if a special resolution is intended to be moved at the meeting, specify the intention and include the text of the special resolution; and
  - (g) contain a statement specifying a member's right to appoint a proxy under section 596(1) and (3) of the Ordinance.
- (5) Paragraph (4)(e) does not apply in relation to a resolution of which—
  - (a) notice has been included in the notice of the meeting under section 567(3) or 568(2) of the Ordinance; or
  - (b) notice has been given under section 615 of the Ordinance.
- (6) Despite the fact that a general meeting is called by shorter notice than that specified in this article, it is regarded as having been duly called if it is so agreed—
  - (a) for an annual general meeting, by all the members entitled to attend and vote at the meeting; and
  - (b) in any other case, by a majority in number of the members entitled to attend and vote at the meeting, being a majority together representing at least 95% of the total voting rights at the meeting of all the members.

### **30. Persons entitled to receive notice of general meetings**

- (1) Notice of a general meeting must be given to—
  - (a) every member; and
  - (b) every director.
- (2) In paragraph (1), the reference to a member includes a transmittee, if the company has been notified of the transmittee's entitlement to a share.
- (3) If notice of a general meeting or any other document relating to the meeting is required to be given to a member, the company must give a copy of it to its auditor (if more than one auditor, to everyone of them) at the same time as the notice or the other document is given to the member.

### **31. Accidental omission to give notice of general meetings**

Any accidental omission to give notice of a general meeting to, or any non-receipt of notice of a general meeting by, any person entitled to receive notice does not invalidate the proceedings at the meeting.

### **32. Attendance and speaking at general meetings**

- (1) A person is able to exercise the right to speak at a general meeting when the person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions that the person has on the business of the meeting.
- (2) A person is able to exercise the right to vote at a general meeting when—
  - (a) the person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
  - (b) the person's vote can be taken into account in determining whether or not those resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- (3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- (4) In determining attendance at a general meeting, it is immaterial whether any 2 or more members attending it are in the same place as each other.
- (5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have rights to speak and vote at the meeting, they are able to exercise them.

### **33. Quorum for general meetings**

- (1) Two members present in person or by proxy constitute a quorum at a general meeting. If the company has only one member, that member present in person or by proxy constitutes a quorum at a general meeting of the company.

- (2) No business other than the appointment of the chairperson of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

#### **34. Chairing general meetings**

- (1) If the chairperson (if any) of the board of directors is present at a general meeting and is willing to preside as chairperson at the meeting, the meeting is to be presided over by him or her.
- (2) The directors present at a general meeting must elect one of themselves to be the chairperson if—
  - (a) there is no chairperson of the board of directors;
  - (b) the chairperson is not present within 15 minutes after the time appointed for holding the meeting;
  - (c) the chairperson is unwilling to act; or
  - (d) the chairperson has given notice to the company of the intention not to attend the meeting.
- (3) The members present at a general meeting must elect one of themselves to be the chairperson if—
  - (a) no director is willing to act as chairperson; or
  - (b) no director is present within 15 minutes after the time appointed for holding the meeting.
- (4) A proxy may be elected to be the chairperson of a general meeting by a resolution of the company passed at the meeting.

#### **35. Attendance and speaking by non-members**

- (1) Directors may attend and speak at general meetings, whether or not they are members of the company.
- (2) The chairperson of a general meeting may permit other persons to attend and speak at a general meeting even though they are not—
  - (a) members of the company; or
  - (b) otherwise entitled to exercise the rights of members in relation to general meetings.

#### **36. Adjournment**

- (1) If a quorum is not present within half an hour from the time appointed for holding a general meeting, the meeting must—
  - (a) if called on the request of members, be dissolved; or
  - (b) in any other case, be adjourned to the same day in the next week, at the same time and place, or to another day and at another time and place that the directors determine.
- (2) If at the adjourned meeting, a quorum is not present within half an hour from the time appointed for holding the meeting, the member or members present in person or by proxy constitute a quorum.
- (3) The chairperson may adjourn a general meeting at which a quorum is present if—
  - (a) the meeting consents to an adjournment; or
  - (b) it appears to the chairperson that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- (4) The chairperson must adjourn a general meeting if directed to do so by the meeting.
- (5) When adjourning a general meeting, the chairperson must specify the date, time and place to which it is adjourned.
- (6) Only the business left unfinished at the general meeting may be transacted at the adjourned meeting.
- (7) If a general meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as for an original meeting.
- (8) If a general meeting is adjourned for less than 30 days, it is not necessary to give any notice of the adjourned meeting.

### **Division 2—Voting at General Meetings**

#### **37. General rules on voting**

- (1) A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with these articles.
- (2) If there is an equality of votes, whether on a show of hands or on a poll, the chairperson of the meeting at which the show of hands takes place or at which the poll is demanded, is entitled to a second or casting vote.
- (3) On a vote on a resolution on a show of hands at a general meeting, a declaration by the chairperson that the resolution—
  - (a) has or has not been passed; or
  - (b) has passed by a particular majority,

is conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

- (4) An entry in respect of the declaration in the minutes of the meeting is also conclusive evidence of that fact without the proof.

### **38. Errors and disputes**

- (1) Any objection to the qualification of any person voting at a general meeting may only be raised at the meeting or adjourned meeting at which the vote objected to is tendered, and a vote not disallowed at the meeting is valid.
- (2) Any objection must be referred to the chairperson of the meeting whose decision is final.

### **39. Demanding a poll**

- (1) A poll on a resolution may be demanded—
  - (a) in advance of the general meeting where it is to be put to the vote; or
  - (b) at a general meeting, either before or on the declaration of the result of a show of hands on that resolution.
- (2) A poll on a resolution may be demanded by—
  - (a) the chairperson of the meeting;
  - (b) at least 2 members present in person or by proxy; or
  - (c) any member or members present in person or by proxy and representing at least 5% of the total voting rights of all the members having the right to vote at the meeting.
- (3) The instrument appointing a proxy is regarded as conferring authority to demand or join in demanding a poll on a resolution.
- (4) A demand for a poll on a resolution may be withdrawn.

### **40. Number of votes a member has**

- (1) On a vote on a resolution on a show of hands at a general meeting—
  - (a) every member present in person has 1 vote; and
  - (b) every proxy present who has been duly appointed by a member entitled to vote on the resolution has 1 vote.
- (2) If a member appoints more than one proxy, the proxies so appointed are not entitled to vote on the resolution on a show of hands.
- (3) On a vote on a resolution on a poll taken at a general meeting—
  - (a) every member present in person has 1 vote for each share held by him or her; and
  - (b) every proxy present who has been duly appointed by a member has 1 vote for each share in respect of which the proxy is appointed.
- (4) This article has effect subject to any rights or restrictions attached to any shares or class of shares.

### **41. Votes of joint holders of shares**

- (1) For joint holders of shares, only the vote of the most senior holder who votes (and any proxies duly authorized by the holder) may be counted.
- (2) For the purposes of this article, the seniority of a holder of a share is determined by the order in which the names of the joint holders appear in the register of members.

### **42. Votes of mentally incapacitated members**

- (1) A member who is a mentally incapacitated person may vote, whether on a show of hands or on a poll, by the member's committee, receiver, guardian or other person in the nature of a committee, receiver or guardian appointed by the Court.
- (2) The committee, receiver, guardian or other person may vote by proxy on a show of hands or on a poll.

### **43. Content of proxy notices**

- (1) A proxy may only validly be appointed by a notice in writing (**proxy notice**) that—
  - (a) states the name and address of the member appointing the proxy;
  - (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
  - (c) is authenticated, or is signed on behalf of the member appointing the proxy; and
  - (d) is delivered to the company in accordance with these articles and any instructions contained in the notice of the general meeting in relation to which the proxy is appointed.
- (2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- (3) If the company requires or allows a proxy notice to be delivered to it in electronic form, it may require the delivery to be properly protected by a security arrangement it specifies.

- (4) A proxy notice may specify how the proxy appointed under it is to vote (or that the proxy is to abstain from voting) on one or more resolutions dealing with any business to be transacted at a general meeting.
- (5) Unless a proxy notice indicates otherwise, it must be regarded as—
  - (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the general meeting; and
  - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

**44. Execution of appointment of proxy on behalf of member appointing the proxy**

If a proxy notice is not authenticated, it must be accompanied by written evidence of the authority of the person who executed the appointment to execute it on behalf of the member appointing the proxy.

**45. Delivery of proxy notice and notice revoking appointment of proxy**

- (1) A proxy notice does not take effect unless it is received by the company—
  - (a) for a general meeting or adjourned general meeting, at least 48 hours before the time appointed for holding the meeting or adjourned meeting; and
  - (b) for a poll taken more than 48 hours after it was demanded, at least 24 hours before the time appointed for taking the poll.
- (2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- (3) A notice revoking the appointment only takes effect if it is received by the company—
  - (a) for a general meeting or adjourned general meeting, at least 48 hours before the time appointed for holding the meeting or adjourned meeting; and
  - (b) for a poll taken more than 48 hours after it was demanded, at least 24 hours before the time appointed for taking the poll.

**46. Effect of member's voting in person on proxy's authority**

- (1) A proxy's authority in relation to a resolution is to be regarded as revoked in the circumstances set out in section 605 of the Ordinance.
- (2) A member who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of the meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of the member.

**47. Effect of proxy votes in case of death, mental incapacity, etc. of member appointing the proxy**

- (1) A vote given in accordance with the terms of a proxy notice is valid despite—
  - (a) the previous death or mental incapacity of the member appointing the proxy;
  - (b) the revocation of the appointment of the proxy or of the authority under which the appointment of the proxy is executed; or
  - (c) the transfer of the share in respect of which the proxy is appointed.
- (2) Paragraph (1) does not apply if notice in writing of the death, mental incapacity, revocation or transfer is received by the company—
  - (a) for a general meeting or adjourned general meeting, at least 48 hours before the time appointed for holding the meeting or adjourned meeting; and
  - (b) for a poll taken more than 48 hours after it was demanded, at least 24 hours before the time appointed for taking the poll.

**48. Amendments to proposed resolutions**

- (1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—
  - (a) notice of the proposed amendment is given to the company secretary in writing; and
  - (b) the proposed amendment does not, in the reasonable opinion of the chairperson of the meeting, materially alter the scope of the resolution.
- (2) The notice must be given by a person entitled to vote at the general meeting at which it is to be proposed at least 48 hours before the meeting is to take place (or a later time the chairperson of the meeting determines).
- (3) A special resolution to be proposed at a general meeting may be amended by ordinary resolution if—
  - (a) the chairperson of the meeting proposes the amendment at the meeting at which the special resolution is to be proposed; and
  - (b) the amendment merely corrects a grammatical or other non-substantive error in the special resolution.

- (4) If the chairperson of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the vote on that resolution remains valid unless the Court orders otherwise.

**Part 5**  
**Shares and Distributions**  
**Division 1—Issue of Shares**

**49. All shares to be fully paid up**

No share is to be issued unless the share is fully paid.

**Division 2—Interests in Shares**

**50. Company only bound by absolute interests**

- (1) Except as required by law, no person is to be recognized by the company as holding any share on any trust.
- (2) Except as otherwise required by law or these articles, the company is not in any way to be bound by or recognize any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.
- (3) Paragraph (2) applies even though the company has notice of the interest.

**Division 3—Share Certificates**

**51. Certificates to be issued except in certain cases**

- (1) The company must issue each member, free of charge, with one or more certificates in respect of the shares that the member holds, within—
  - (a) 2 months after allotment or lodgment of a proper instrument of transfer; or
  - (b) any other period that the conditions of issue provide.
- (2) If more than one person holds a share, only 1 certificate may be issued in respect of it.

**52. Contents and execution of share certificates**

- (1) A certificate must specify—
  - (a) in respect of how many shares the certificate is issued;
  - (b) the fact that the shares are fully paid; and
  - (c) any distinguishing numbers assigned to them.
- (2) A certificate must—
  - (a) have affixed to it the company's common seal or the company's official seal under section 126 of the Ordinance; or
  - (b) be otherwise executed in accordance with the Ordinance.

**53. Replacement share certificates**

- (1) If a certificate issued in respect of a member's shares is defaced, damaged, lost or destroyed, the member is entitled to be issued with a replacement certificate in respect of the same shares.
- (2) A member exercising the right to be issued with a replacement certificate—
  - (a) must return the certificate that is to be replaced to the company if it is defaced or damaged; and
  - (b) must comply with the conditions as to evidence, indemnity and the payment of a reasonable fee that the directors decide.

**Division 4—Transfer and Transmission of Shares**

**54. Transfer of shares**

- (1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of both the transferor and the transferee.
- (2) No fee may be charged by the company for registering any instrument of transfer or other document relating to or affecting the title to any share.
- (3) The company may retain any instrument of transfer that is registered.
- (4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.

**55. Power of directors to refuse transfer of shares**

- (1) Without limiting article 2(2), the directors may refuse to register the transfer of a share if—
  - (a) the instrument of transfer is not lodged at the company's registered office or another place that the directors have appointed;

- (b) the instrument of transfer is not accompanied by the certificate for the share to which it relates, or other evidence the directors reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf; or
- (c) the transfer is in respect of more than one class of shares.
- (2) If the directors refuse to register the transfer of a share under paragraph (1) or article 2(2)—
  - (a) the transferor or transferee may request a statement of the reasons for the refusal; and
  - (b) the instrument of transfer must be returned to the transferor or transferee who lodged it unless the directors suspect that the proposed transfer may be fraudulent.
- (3) The instrument of transfer must be returned in accordance with paragraph (2)(b) together with a notice of refusal within 2 months after the date on which the instrument of transfer was lodged with the company.
- (4) If a request is made under paragraph (2)(a), the directors must, within 28 days after receiving the request—
  - (a) send the transferor or transferee who made the request a statement of the reasons for the refusal; or
  - (b) register the transfer.

#### **56. Transmission of shares**

If a member dies, the company may only recognize the following person or persons as having any title to a share of the deceased member—

- (a) if the deceased member was a joint holder of the share, the surviving holder or holders of the share; and
- (b) if the deceased member was a sole holder of the share, the legal personal representative of the deceased member.

#### **57. Transmittees' rights**

- (1) If a transmittee produces evidence of entitlement to the share as the directors properly require, the transmittee may, subject to these articles, choose to become the holder of the share or to have the share transferred to another person.
- (2) The directors have the same right to refuse or suspend the registration as they would have had if the holder had transferred the share before the transmission.
- (3) A transmittee is entitled to the same dividends and other advantages to which the transmittee would be entitled if the transmittee were the holder of the share, except that the transmittee is not, before being registered as a member in respect of the share, entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company.
- (4) The directors may at any time give notice requiring a transmittee to choose to become the holder of the share or to have the share transferred to another person.
- (5) If the notice is not complied with within 90 days of the notice being given, the directors may withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

#### **58. Exercise of transmittees' rights**

- (1) If a transmittee chooses to become the holder of a share, the transmittee must notify the company in writing of the choice.
- (2) Within 2 months after receiving the notice, the directors must—
  - (a) register the transmittee as the holder of the share; or
  - (b) send the transmittee a notice of refusal of registration.
- (3) If the directors refuse registration, the transmittee may request a statement of the reasons for the refusal.
- (4) If a request is made under paragraph (3), the directors must, within 28 days after receiving the request—
  - (a) send the transmittee a statement of the reasons for the refusal; or
  - (b) register the transmittee as the holder of the share.
- (5) If the transmittee chooses to have the share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- (6) All the limitations, restrictions and other provisions of these articles relating to the right to transfer and the registration of transfer of shares apply to the notice under paragraph (1) or the transfer under paragraph (5), as if the transmission had not occurred and the transfer were a transfer made by the holder of the share before the transmission.

#### **59. Transmittees bound by prior notices**

If a notice is given to a member in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the member before the transmittee's name has been entered in the register of members.

### **Division 5—Alteration and Reduction of Share Capital, Share Buy-backs and Allotment of Shares**

#### **60. Alteration of share capital**

The company may by ordinary resolution alter its share capital in any one or more of the ways set out in section 170(2)(a), (b), (c), (d), (e) and (f)(i) of the Ordinance, and section 170(3), (4), (5), (6), (7) and (8) of the Ordinance applies accordingly.

#### **61. Reduction of share capital**

The company may by special resolution reduce its share capital in accordance with Division 3 of Part 5 of the Ordinance.

#### **62. Share buy-backs**

The company may buy back its own shares (including any redeemable shares) in accordance with Division 4 of Part 5 of the Ordinance.

#### **63. Allotment of shares**

The directors must not exercise any power conferred on them to allot shares in the company without the prior approval of the company by resolution if the approval is required by section 140 of the Ordinance.

### **Division 6—Distributions**

#### **64. Procedure for declaring dividends**

- (1) The company may at a general meeting declare dividends, but a dividend must not exceed the amount recommended by the directors.
- (2) The directors may from time to time pay the members interim dividends that appear to the directors to be justified by the profits of the company.
- (3) A dividend may only be paid out of the profits in accordance with Part 6 of the Ordinance.
- (4) Unless the members' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each member's holding of shares on the date of the resolution or decision to declare or pay it.
- (5) Before recommending any dividend, the directors may set aside out of the profits of the company any sums they think fit as reserves.
- (6) The directors may—
  - (a) apply the reserves for any purpose to which the profits of the company may be properly applied; and
  - (b) pending such an application, employ the reserves in the business of the company or invest them in any investments (other than shares of the company) that they think fit.
- (7) The directors may also without placing the sums to reserve carry forward any profits that they think prudent not to divide.

#### **65. Payment of dividends and other distributions**

- (1) If a dividend or other sum that is a distribution is payable in respect of a share, it must be paid by one or more of the following means—
  - (a) transfer to a bank account specified by the distribution recipient either in writing or as the directors decide;
  - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors decide;
  - (c) sending a cheque made payable to the specified person by post to the specified person at the address the distribution recipient has specified either in writing or as the directors decide;
  - (d) any other means of payment as the directors agree with the distribution recipient either in writing or as the directors decide.
- (2) In this article—

**specified person** (指明人士) means a person specified by the distribution recipient either in writing or as the directors decide.



**66. No interest on distributions**

The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—

- (a) the terms on which the share was issued; or
- (b) the provisions of another agreement between the holder of the share and the company.

**67. Unclaimed distributions**

- (1) If dividends or other sums are payable in respect of shares and they are not claimed after having been declared or become payable, they may be invested or made use of by the directors for the benefit of the company until claimed.
- (2) The payment of the dividends or other sums into a separate account does not make the company a trustee in respect of it.
- (3) A distribution recipient is no longer entitled to a dividend or other sum and it ceases to remain owing by the company, if—
  - (a) 12 years have passed from the date on which the dividend or other sum became due for payment; and
  - (b) the distribution recipient has not claimed it.

**68. Non-cash distributions**

- (1) Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).
- (2) For paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, if any difficulty arises regarding the distribution—
  - (a) fixing the value of any assets;
  - (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
  - (c) vesting any assets in trustees.

**69. Waiver of distributions**

- (1) Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by executing to the company a deed to that effect.
- (2) But if the share has more than one holder or more than one person is entitled to the share (whether by reason of the death or bankruptcy of one or more joint holders, or otherwise), the deed is not effective unless it is expressed to be executed by all the holders or other persons entitled to the share.

**Division 7—Capitalization of Profits****70. Capitalization of profits**

- (1) The company may by ordinary resolution on the recommendation of the directors capitalize profits.
- (2) If the capitalization is to be accompanied by the issue of shares or debentures, the directors may apply the sum capitalized in the proportions in which the members would be entitled if the sum was distributed by way of dividend.
- (3) To the extent necessary to adjust the rights of the members among themselves if shares or debentures become issuable in fractions, the directors may make any arrangements they think fit, including the issuing of fractional certificates or the making of cash payments or adopting a rounding policy.

**Part 6****Miscellaneous Provisions****Division 1—Communications to and by Company****71. Means of communication to be used**

- (1) Subject to these articles, anything sent or supplied by or to the company under these articles may be sent or supplied in any way in which Part 18 of the Ordinance provides for documents or information to be sent or supplied by or to the company for the purposes of the Ordinance.
- (2) Subject to these articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such a notice or document for the time being.

- (3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

## **Division 2—Administrative Arrangements**

### **72. Company seals**

- (1) A common seal may only be used by the authority of the directors.
- (2) A common seal must be a metallic seal having the company's name engraved on it in legible form.
- (3) Subject to paragraph (2), the directors may decide by what means and in what form a common seal or official seal (whether for use outside Hong Kong or for sealing securities) is to be used.
- (4) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least 1 director of the company and 1 authorized person.
- (5) For the purposes of this article, an authorized person is—
- (a) any director of the company;
  - (b) the company secretary; or
  - (c) any person authorized by the directors for signing documents to which the common seal is applied.
- (6) If the company has an official seal for use outside Hong Kong, it may only be affixed to a document if its use on the document, or documents of a class to which it belongs, has been authorized by a decision of the directors.
- (7) If the company has an official seal for sealing securities, it may only be affixed to securities by the company secretary or a person authorized to apply it to securities by the company secretary.

### **73. No right to inspect accounts and other records**

A person is not entitled to inspect any of the company's accounting or other records or documents merely because of being a member, unless the person is authorized to do so by—

- (a) an enactment;
- (b) an order under section 740 of the Ordinance;
- (c) the directors; or
- (d) an ordinary resolution of the company.

### **74. Winding up**

- (1) If the company is wound up and a surplus remains after the payment of debts proved in the winding up, the liquidator—
- (a) may, with the required sanction, divide amongst the members in specie or kind the whole or any part of the assets of the company (whether they consist of property of the same kind or not) and may, for this purpose, set a value the liquidator thinks fair on any property to be so divided; and
  - (b) may determine how the division is to be carried out between the members or different classes of members.
- (2) The liquidator may, with the required sanction, vest the whole or part of those assets in trustees on trust for the benefit of the contributories that the liquidator, with the required sanction, thinks fit, but a member must not be compelled to accept any shares or other securities on which there is any liability.
- (3) In this article—

**required sanction** (規定認許) means the sanction of a special resolution of the company and any other sanction required by the Ordinance.



*To the Independent Shareholders*

5 November 2024

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
ASTRUM CAPITAL MANAGEMENT LIMITED  
FOR AND ON BEHALF OF JANTIX MANAGEMENT LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
EDICO HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY  
OWNED  
OR AGREED TO BE ACQUIRED BY JANTIX MANAGEMENT LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT)**

**INTRODUCTION**

Reference is made to the Joint Announcement in relation to, among other things, the Acquisition and the Offer. Terms used in this letter shall have the same meanings as defined in the Composite Document unless the context otherwise requires.

As disclosed in the Joint Announcement, on 8 October 2024 (before trading hours), the Vendor, the Vendor Guarantor and the Offeror entered into the Share Purchase Agreement pursuant to which the Vendor agreed to sell, and the Offeror agreed to purchase, the Sale Shares (being 560,000,000 Shares, representing 56.0% of the total issued share capital of the Company as at the Latest Practicable Date) for a total cash Consideration of HK\$33,600,000 (being HK\$0.06 per Sale Share).

Immediately prior to Completion, the Offeror and parties acting in concert with it did not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately after Completion (which took place immediately after signing of the Share Purchase Agreement on 8 October 2024) and as at the Latest Practicable Date, the Offeror and parties acting in concert with it hold in aggregate 560,000,000 Shares, representing 56.0% of the total issued share capital of the Company.

Astrum Financial Holdings Limited      阿仕特朗金融控股有限公司  
Astrum Capital Management Limited      阿仕特朗資本管理有限公司

Room 2704, 27/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong      General Line : (852) 3665 8111      Fax : (852) 2559 2880, 2559 7800

The Offeror is therefore required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it. Astrum Capital is making the Offer for and on behalf of the Offeror.

This letter sets out, among other things, the principal terms of the Offer, together with the information on the Offeror and the Offeror's intentions regarding the Group. Further details of the Offer and the procedures for acceptance and settlement of the Offer are also set out in Appendix I to this Composite Document and the accompanying Form of Acceptance. The Independent Shareholders are strongly advised to consider carefully the information contained in the "Letter from the Board", the "Letter from the Independent Board Committee" to the Independent Shareholders, the "Letter from the Independent Financial Adviser" to the Independent Board Committee and the Independent Shareholders and the appendices as set out in this Composite Document and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offer.

## **THE OFFER**

### **Principal terms of the Offer**

We, Astrum Capital, are making the Offer for and on behalf of the Offeror to acquire the Offer Shares on the following basis:

#### **The Offer**

**For each Offer Share .....HK\$0.06 in cash**

The Offer Price of HK\$0.06 per Offer Share is the same as the price of HK\$0.06 per Sale Share paid by the Offeror under the Share Purchase Agreement.

As at the Latest Practicable Date, there are 1,000,000,000 Shares in issue and the Company does not have any outstanding options, warrants or derivatives or securities convertible or exchangeable into Shares.

The Offer is unconditional in all respects and extended to all Independent Shareholders in accordance with the Takeovers Code.

Under the terms of the Offer, the Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrance and together with all rights and benefits attached thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of this Composite Document.

The procedures for acceptance and settlement together with further details of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

## Comparison of value

The Offer Price of HK\$0.06 per Offer Share represents:

- (i) a premium of approximately 39.53% over the closing price of HK\$0.0430 per Share as quoted on the Stock Exchange on 7 October 2024, being the Last Trading Day;
- (ii) a premium of approximately 35.14% over the average closing price of HK\$0.0444 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a premium of approximately 26.05% over the average closing price of HK\$0.0476 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 24.74% over the average closing price of HK\$0.0481 per Share as quoted on the Stock Exchange for the thirty (30) consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a discount of approximately 45.45% to the closing price of HK\$0.110 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (vi) a premium of approximately 4.35% over the audited consolidated net assets value of the Company per Share of approximately HK\$0.0575 as at 30 September 2023 (based on a total of 1,000,000,000 Shares in issue as at the Latest Practicable Date and the audited consolidated net assets value of the Company of HK\$57,457,000 as at 30 September 2023); and
- (vii) a premium of approximately 11.32% over the unaudited consolidated net assets value of the Company per Share of approximately HK\$0.0539 as at 31 March 2024 (based on a total of 1,000,000,000 Shares in issue as at the Latest Practicable Date and the unaudited consolidated net assets value of the Company of HK\$53,901,000 as at 31 March 2024).

## Highest and lowest Share prices

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.128 per Share on 28 October 2024 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.042 per Share on 25 April 2024, 26 April 2024, 30 April 2024, 2 May 2024, 3 May 2024, 6 May 2024 and 4 October 2024, respectively.

### **Total consideration for the Offer Shares**

As at the Latest Practicable Date, there are 1,000,000,000 Shares in issue and the Company has no other outstanding Shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other relevant securities in the Company (as defined in Note 4 to Rule 22 of the Takeovers Code).

Assuming that there is no change in the issued share capital of the Company and based on the Offer Price of HK\$0.06 per Offer Share, the total issued share capital of the Company is valued at HK\$60,000,000. As the Offeror and parties acting in concert with it hold in aggregate 560,000,000 Shares as at the Latest Practicable Date, 440,000,000 Shares (including the Non-accepting Shares) are subject to the Offer. Based on a total of 440,000,000 Offer Shares and the Offer Price of HK\$0.06 per Offer Share, the maximum amount of cash payable by the Offeror in respect of the consideration payable upon full acceptance of the Offer is HK\$26,400,000.

### **The Non-accepting Irrevocable Undertaking**

As at the Latest Practicable Date, Ms. Yuen is interested in a total of 192,200,000 Non-accepting Shares, representing approximately 19.2% of the total issued share capital of the Company.

On 7 October 2024, the Offeror received the Non-accepting Irrevocable Undertaking from Ms. Yuen, pursuant to which Ms. Yuen has irrevocably and unconditionally undertaken to the Offeror, *inter alia*, that she:

- (1) will not or will not agree to, whether directly or indirectly, transfer, sell, charge, pledge or grant any option over or otherwise dispose of or create any encumbrances in respect of any of the Non-accepting Shares or any part thereof or any interest in the Non-accepting Shares or any part thereof prior to the earlier of the closing or lapse of the Offer;
- (2) will not tender the Non-accepting Shares for acceptance under the Offer, whether it comprises a higher offer or not and irrespective of the means by which it is to be implemented; and
- (3) will not, and will procure any party acting in concert with her not to, acquire any Shares, options, warrants, convertible securities, derivatives in respect of securities of the Company or other rights to subscribe for, purchase or otherwise acquire any securities of the Company prior to the earlier of the closing or lapse of the Offer.

Given that the Offer is unconditional in all respects, the Non-accepting Irrevocable Undertaking will take effect from the date thereof until the closing of the Offer.

## **Confirmation of financial resources**

The maximum amount of cash payable by the Offeror in respect of the consideration payable upon full acceptance of the Offer is HK\$26,400,000, assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to the close of the Offer.

Taking into account the Non-accepting Irrevocable Undertaking, the Offeror anticipates that the Offer made in respect of the 192,200,000 Non-accepting Shares will not be accepted by Ms. Yuen. In this regard, based on a total of 247,800,000 Shares which will be subject to the Offer (excluding the Non-accepting Shares) and the Offer Price of HK\$0.06 per Offer Share, the Offeror anticipates that the total consideration payable to accepting Independent Shareholders under the Offer would be HK\$14,868,000 in the event that the Offer is accepted in full by the Independent Shareholders except for Ms. Yuen. The Offeror intends to satisfy the consideration payable under the Offer with its internal resources.

Akron, as the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the amount of funds required upon full acceptance of the Offer.

## **Effect of accepting the Offer**

By accepting the Offer, the Independent Shareholders will be deemed to warrant that all Offer Shares to be sold by such person under the Offer are fully paid and free from all encumbrances and together with all rights and benefits attaching thereto as at the date of this Composite Document or subsequently becoming attached to them, including but not limited to the right to receive in full all dividends, distributions and any return of capital, if any, which may be made or declared or agreed to be made or declared, and the record date of which falls on or after the date on which the Offer is made, being the date of despatch of this Composite Document. The Company confirmed that, as at the Latest Practicable Date, (i) it had not declared any dividend which had not yet been paid; and (ii) it does not have any intention to declare or pay any future dividend or make other distributions prior to and including the Closing Date.

The Offer is unconditional in all respects and will remain open for acceptance from the date of this Composite Document until 4: 00 p.m. on the Closing Date. Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code, details of which are set out in the section headed “5. Right of Withdrawal” in Appendix I to this Composite Document.

## **Payment**

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event no later than seven (7) Business Days after the date of receipt by the Registrar of a duly completed acceptance of the Offer. Relevant documents evidencing title of the Offer Shares must be received by or on behalf of the Offeror (or its agent) to render such acceptance of the Offer

complete and valid. No fractions of a cent will be payable and the amount of cash consideration payable to an Independent Shareholder who accepts the Offer will be rounded up to the nearest cent.

### **Hong Kong Stamp duty**

Seller's Hong Kong ad valorem stamp duty at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable by the Offeror to the relevant Independent Shareholders accepting the Offer. The Offeror will arrange for payment of the sellers' Hong Kong ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

### **Overseas Shareholders**

As the Offer to persons not being resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, the Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the sole responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes due from the accepting Overseas Shareholders in respect of such jurisdictions).

Any acceptance of the Offer by such Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the applicable local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

### **Taxation advice**

The Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Vendor, the Vendor Guarantor, the Company, Astrum Capital, Akron, the Independent Financial Adviser, the Registrar nor their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.



## **INFORMATION ON THE GROUP**

The Company was incorporated in the Cayman Islands with limited liability and its issued Shares have been listed on GEM since 2 February 2018.

The Group principally engages in the business of providing 24-hour integrated printing services for customers mainly in the financial and capital markets in Hong Kong.

The financial information of the Group is set out in Appendix II to this Composite Document. Your attention is also drawn to the further information in relation to the Group as set out in Appendix III to this Composite Document.

## **INFORMATION ON THE OFFEROR**

The Offeror is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. Mr. Lui is the sole ultimate beneficial owner and the sole director of the Offeror. Mr. Lui is a seasoned investor who has extensive experience in property and securities investment. Mr. Lui has broad exposure in the Hong Kong capital markets with direct investment in listed companies across various industries covering education, construction, media and entertainment.

## **INTENTIONS OF THE OFFEROR REGARDING THE GROUP**

As at the Latest Practicable Date, the Offeror is the controlling Shareholder and is interested in 56.0% of the total issued share capital of the Company.

The Group is principally engaged in the business of providing 24-hour integrated printing services for customers mainly in the financial and capital markets in Hong Kong. The Offeror intends to continue the employment of the existing management and employees of the Group (except for a proposed change to the members of the Board at a time no earlier than that permitted under the GEM Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate). The Offeror also intends to continue the existing principal business of the Group immediately following Completion. However, the Offeror will conduct a detailed review on the operation and business activities of the Group to formulate a long-term business strategy for the Group. Subject to the results of such review, the Offeror may explore other business and/or seek to expand the principal business of the Group.

Save for the Offeror's intention regarding the Group as set out above, (i) the Offeror has no intention to make material changes to the employment of the employees of the Group (except for a proposed change to the members of the Board at a time no earlier than that permitted under the GEM Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate); (ii) the Offeror has no intention to dispose of or redeploy the assets of the Group other than those in its ordinary course of business; and (iii) as at the Latest Practicable Date, no

investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understandings or negotiation in relation to the injection of any assets or business into the Group.

The Offeror intends to nominate new director(s) to the Board with effect from a date which is no earlier than such date as permitted under the Takeovers Code or such later date as the Offeror considers to be appropriate. As at the Latest Practicable Date, the Offeror has not reached any decision as to the Board composition following the close of the Offer, in particular, the Offeror has not identified any candidate to be nominated as a new Director nor any existing Director to be replaced. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and/or the GEM Listing Rules and further announcement(s) will be made as and when appropriate.

#### **PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Offeror intends to maintain the listing of the Shares on GEM following the close of the Offer.

According to the shareholding structure of the Company as at the Latest Practicable Date as set out in the section headed “Shareholding Structure of the Company” in the “Letter from the Board”, there was a shortfall in the Company’s public float of approximately 0.2% given that only approximately 24.8% of the Shares were held in the hand of the public Shareholders. For further details of the aforesaid shortfall, please refer to the section headed “Public Float and Maintaining the Listing Status of the Company” in the “Letter from the Board”.

The Offeror will, together with the Company, use reasonable endeavours to maintain the listing status of the Shares on GEM and procure that not less than 25% of the entire issued share capital in the Company be held by the public in compliance with the GEM Listing Rules after the close of the Offer.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) that there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares. Therefore, it should be noted that, upon close of the Offer, there will be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares.

The sole director of the Offeror has undertaken, and the new Director(s) (if any) proposed by the Offeror will jointly and severally undertake, to the Stock Exchange to take appropriate steps following the close of the Offer to ensure that such number of Shares as may be required by the Stock Exchange are held by the public within the prescribed time frame. The Offeror intends to

engage a placing agent and restore the minimum public float of the Shares by way of placement of existing Shares to independent third parties. The Offeror will ascertain the number of existing Shares to be placed by the placing agent, depending on the outcome of the Offer and to the extent the minimum public float is restored, on the Closing Date. It is expected that the placement of existing Shares will complete and the public float of the Company will be restored by the later of (i) the end of December 2024; or (ii) 30 days after closing of the Offer. Further announcement(s) will be made by the Company regarding the restoration of public float as and when appropriate.

## **ACCEPTANCE AND SETTLEMENT OF THE OFFER**

Your attention is drawn to the details regarding the procedures for acceptance and settlement of the Offer as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

## **COMPULSORY ACQUISITION**

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any outstanding Offer Shares not acquired under the Offer after the close of the Offer.

## **GENERAL**

To ensure equality of treatment of all Independent Shareholders, those Independent Shareholders who hold the Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Shares, whose investments are registered in nominee names, to accept the Offer, it is essential that they provide instructions to their nominees of their intentions with regard to the Offer.

The printed form of the Composite Document will only be posted to the Independent Shareholders upon request. The Company will send the Form of Acceptance, which is an Actionable Corporate Communication, to the Independent Shareholders in printed form, if the Company does not have their functional email address or if the Independent Shareholders requested. All documents and remittances to be sent to the Independent Shareholders will be sent by ordinary post at their own risk. These documents and remittances will be sent to them at their respective addresses as they appear in the register of members or, in case of joint holders, to the Independent Shareholder whose name appears first in the said register of members. None of the Offeror, parties acting in concert with the Offeror, the Vendor, the Vendor Guarantor, the Company, Astrum Capital, Akron, the Independent Financial Adviser, the Registrar nor their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof.

## **ADDITIONAL INFORMATION**

Your attention is drawn to the additional information regarding the Offer set out in the appendices to this Composite Document and the accompanying Form of Acceptance, which form part of this Composite Document. You are also reminded to consider carefully the information contained in the “Letter from the Board”, the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Adviser” contained in this Composite Document and to consult your professional advisers as you see fit, before deciding whether or not to accept the Offer.

Yours faithfully,

For and on behalf of

**Astrum Capital Management Limited**

A handwritten signature in black ink, appearing to be 'IAN Chik', written over a horizontal line.

**IAN Chik**

*Director*



**STRICTLY PRIVATE AND CONFIDENTIAL**

5 November 2024

**Jantix Management Limited**

15th Floor, Oriental Centre  
67–71 Chatham Road South  
Tsim Sha Tsui, Kowloon  
Hong Kong

**Attention: Mr. Lui Yu Kin, the sole director**

**EDICO Holdings Limited**

8/F., Wheelock House  
20 Pedder Street, Central  
Hong Kong

**Attention: Board of Directors**

Dear Sirs,

**Re: Mandatory unconditional cash offer (the “Offer”) by Astrum Capital Management Limited for and on behalf of Jantix Management Limited (the “Offeror”) to acquire all the issued shares of EDICO Holdings Limited (the “Company”) (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it)**

---

We refer to the composite offer and response document dated 5 November 2024 (the “**Composite Document**”) jointly issued by the Company and the Offeror in relation to the Offer. Unless otherwise defined herein, terms used in this letter shall have the same meanings as defined in the Composite Document.

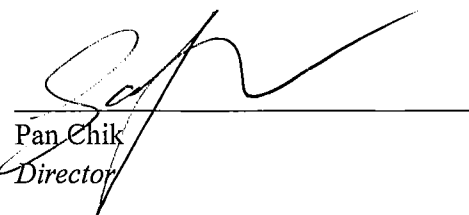
We hereby confirm that we have given and have not withdrawn our written consent to the issue of the Composite Document with the inclusion of our opinions, advice letter/report and/or the references to our name included in the form and context in which they appear.

We hereby further consent to this letter being made available on display as described in Appendix IV to the Composite Document.

Yours faithfully,

For and on behalf of

**Astrum Capital Management Limited**

  
Pan Chik  
Director

Astrum Financial Holdings Limited 阿仕特朗金融控股有限公司  
Astrum Capital Management Limited 阿仕特朗資本管理有限公司

Room 2704, 27/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong General Line : (852) 3665 8111 Fax : (852) 2559 2880, 2559 7800



**STRICTLY PRIVATE AND CONFIDENTIAL**

5 November 2024

**Jantix Management Limited (the “Offeror”)**

15th Floor, Oriental Centre  
67–71 Chatham Road South  
Tsim Sha Tsui, Kowloon  
Hong Kong

Attention: The Board of Director

**EDICO Holdings Limited (the “Company”)**

8/F., Wheelock House  
20 Pedder Street  
Central, Hong Kong

Attention: The Board of Directors

Dear Sirs,

**Re: Mandatory unconditional cash offer by Astrum Capital Management Limited for and on behalf of the Offeror to acquire all the issued shares of the Company (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) (the “Offer”)**

We refer to the composite document jointly issued by the Offeror and the Company dated the date hereof (the “**Composite Document**”) in relation to the Offer. Unless otherwise specified, capitalised terms defined in the Composite Document shall have the same meanings when used in this letter.

We, Akron Corporate Finance Limited, as the financial adviser to the Offeror in respect of the Offer, hereby consent to, and confirm that we have not withdrawn our written consent to the issue of the Composite Document with references to our name, logo and our opinion in the form and context in which they respectively appear in the Composite Document.

We also consent to this letter being made available for display as described in the section headed “6. Documents on Display” in Appendix IV to the Composite Document.

Yours faithfully,  
For and on behalf of  
**Akron Corporate Finance Limited**

  
\_\_\_\_\_  
Mon Chin  
Assistant Director

Date: 8 October 2024

**Achiever Choice Limited**

as vendor

and

**Jantix Management Limited**

as purchaser

and

**Chan Tsang Tieh**

as vendor guarantor

---

**AGREEMENT FOR  
THE SALE AND PURCHASE OF SHARES  
IN  
EDICO HOLDINGS LIMITED**

---

## **CONTENTS**

<b>Clause</b>	<b>Heading</b>	<b>Page</b>
1.	Interpretation.....	1
2.	Agreement to Sell the Sale Shares.....	6
3.	Consideration .....	6
4.	Completion .....	6
5.	Warranties and Indemnities .....	8
6.	Undertakings.....	10
7.	Termination.....	11
8.	Guarantee and Indemnity by the Vendor Guarantor .....	12
9.	Confidentiality and Announcement .....	14
10.	General.....	15
	SCHEDULE I - Warranties .....	18
	SCHEDULE II – List of Documents .....	27



THIS AGREEMENT is made on 8 October 2024

BETWEEN:-

- (1) **Achiever Choice Limited**, a company incorporated in the British Virgin Islands whose registered office address is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (the “**Vendor**”);
- (2) **Jantix Management Limited**, a company incorporated in Hong Kong whose registered office is at 15<sup>th</sup> Floor, Oriental Centre, 67-71 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong (the “**Purchaser**”); and
- (3) **Chan Tsang Tieh**, holder of Hong Kong identification card no.: E696712(8) whose address is at 8th Floor, Wheelock House, 20 Pedder Street, Central, Hong Kong (the “**Vendor Guarantor**”).

(All parties hereto are together referred to as the “**Parties**” and each a “**Party**”).

WHEREAS:

- (A) The Vendor is the beneficial owner of 560,000,000 ordinary shares of par value of HK\$0.01 each (the “**Sale Shares**”) of EDICO Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the ordinary shares of which are listed on GEM of the Stock Exchange (as defined below) with the stock code of 8450 (the “**Company**”). The Sale Shares represent 56% of the issued share capital of the Company as at the date of this Agreement.
- (B) The Group (as defined below) is principally engaged in the business of providing 24-hour integrated printing services for customers in the financial and capital markets in Hong Kong.
- (C) As at the date of this Agreement, the Company has 1,000,000,000 issued ordinary shares of par value HK\$0.01 each. Save as aforesaid, the Company does not have any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code (as defined below)).
- (D) The Vendor as the legal and beneficial owner has agreed to sell and the Purchaser has agreed to purchase the Sale Shares subject to the terms hereinafter set out.
- (E) The Vendor Guarantor has agreed to guarantee the performance of the obligations of the Vendor hereunder on the terms set out in this Agreement.

**IT IS HEREBY AGREED THAT:-**

**1. Interpretation**

In this Agreement, unless the context otherwise requires, the provisions in this Clause 1 apply:

1.1 Definitions

“**Accounts**” or “**Audited Accounts**” means the audited consolidated statement of the financial position of the Group as at 30 September 2023 and the audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 30 September 2023;

“**Accounts Date**” means 30 September 2023;

“**Announcement**” means the announcement(s) to be released by the Purchaser and/or the Company in accordance with the Takeovers Code, the GEM Listing Rules and all Applicable Laws in relation to, among others, the sale and purchase of the Sale Shares and/or the possible mandatory general offer under Rule 26 of the Takeovers Code, in such form and substance as approved by the Executive and/or the Stock Exchange;

“**Applicable Laws**” means, in respect of any person, any laws, rules, regulations, directives, decrees, treaties, or orders of any Authority (including but not limited to the GEM Listing Rules and the Takeovers Code), that are applicable to and binding on such person;

“**Authorities**” means any governments, courts, arbitral tribunals, governmental, regulatory or official authorities, departments or agencies of any governments, statutory or regulatory bodies, stock exchanges whether in Hong Kong or elsewhere and include but not limited to the Stock Exchange and the SFC and “**Authority**” means any one of them;

“**Business Day**” means a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon, or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon, or “extreme conditions” are announced by the Hong Kong Government at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours;

“**CCASS**” the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;

“**Circular**” means the composite offer and response document referred to in Clause 6.2;

“**close associate**” has the same meaning as defined in the GEM Listing Rules;

“**Companies Ordinance**” means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);

“**Company**” has the meaning given to it in the Recital;

“**Completion**” completion of the sale and purchase of the Sale Shares in accordance with Clause 4;

“**Completion Date**” means the date of this Agreement, or such other date as the Vendor and the Purchaser may agree in writing;

“**connected person**” has the meaning given to it under the GEM Listing Rules;

“**Consent**” includes any license, consent, approval, authorization, permission, waiver, order, notification or exemption;

“**Disclosed**” means in the context of the warranties made by the Vendor, a matter or information disclosed in (i) this Agreement; or (ii) the Audited Accounts; (iii) any documents furnished by the Company to the Purchaser and/or its designated adviser(s) for conducting the due diligence review and investigation on the Group, or (iv) any public documents published by the Company (together the “**Vendor’s Documents**”) including, but not limited to, such facts, circumstances, matters and information as set out in the Vendor’s Documents;

“**Encumbrance**” means any charge, mortgage, lien, option, equitable right, power of sale, pledge, hypothecation, retention of title, right of pre-emption, right of first refusal or other third-party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing;

“**Event**” includes, without limitation, any act, transaction or omission (whether or not any of the Group Companies is a party thereto) and, but without limitation, any distribution, failure to distribute, acquisition, disposal, transfer, payment, loan or advance and reference to any event on or before a date shall be deemed to include any combination of two or more events, the first of which shall have taken place on or before the date;

“**Executive**” means the Executive Director of the Corporate Finance Division of the SFC from time to time and any delegate of the Executive Director;

“**Fundamental Warranties**” means paragraphs 2, 3 and 9 of Schedule I in relation to the Warranties;

“**GEM Listing Rules**” means the Rules Governing the Listing of Securities on GEM of the Stock Exchange;

“**General Rules**” means the General Rules of CCASS issued by Hong Kong Securities Clearing Company Limited from time to time;

“**Group**” means the Company and the Subsidiaries, and “**Group Company**” or “**member of the Group**” means any one of them;

“**HK\$**” means Hong Kong dollar, the lawful currency of Hong Kong;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the PRC;

“**Management Accounts**” means the unaudited consolidated balance sheet of the Group as at 30 June 2024 and the unaudited consolidated profit and loss account of the Group for the period commencing from the day immediately following the Accounts

Date to 30 June 2024;

**“Material Adverse Effect (or Change)”** means any Event, circumstance, occurrence, fact, condition, change or effect that is materially adverse to (a) the business, operations, financial condition, management, properties, assets or liabilities of any member of the Group; or (b) the ability of any Party (other than the Purchaser) to perform any of his/her/its obligations hereunder or to consummate the transactions contemplated in this Agreement, and which is not caused by: (i) any transaction contemplated in this Agreement or any change in control resulting herefrom; or (ii) any act or omission of the Purchaser;

**“Offer”** means the cash offer to be made by Astrum Capital Management Limited on behalf of the Purchaser in accordance with the Takeovers Code for the Offer Shares;

**“Offer Shares”** means the existing issued Shares but excluding the Sale Shares and any other Shares owned by the Purchaser and persons acting in concert with it (within the meaning of the Takeovers Code) on the Completion Date and/or acquired or agreed to be acquired by the Purchaser and persons acting in concert with it (within the meaning of the Takeovers Code) while the Offer remains open for acceptance;

**“PRC”** means the People’s Republic of China which, for the purpose of this Agreement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;

**“Sale Shares”** has the meaning given to it in the Recital;

**“SFC”** means the Securities and Futures Commission of Hong Kong;

**“Shares”** means ordinary shares of par value HK\$0.01 each in the share capital of the Company and **“Share”** means any one of them;

**“Stock Exchange”** means The Stock Exchange of Hong Kong Limited;

**“Subsidiaries”** means the subsidiaries of the Company as set out under paragraph 28 of the notes to the consolidated financial statements for the year ended 30 September 2023 in the Audited Accounts and a **“Subsidiary”** means any one of them;

**“Surviving Provisions”** means Clause 1, Clause 9 and Clause 10;

**“Takeovers Code”** means the Hong Kong Code on Takeovers and Mergers;

**“Taxation”** or **“Tax”** means all forms of taxation (other than deferred tax) and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of tax, whenever and wherever imposed and whether chargeable directly or primarily against or attributable directly or primarily to a Group Company or any other person and all penalties, charges, costs and interest relating thereto; and

**“Warranties”** means the representations and warranties in the Schedule I and

“**Warranty**” shall be construed accordingly.

- 1.2 References to one gender include all genders and references to the singular include the plural and vice versa.
- 1.3 References to:
  - 1.3.1 a person include any individual, company, partnership or unincorporated association (whether or not having separate legal personality); and
  - 1.3.2 a company include any body corporate, wherever incorporated.
- 1.4 References to a statute or statutory provision include:
  - 1.4.1 that statute or provision as from time to time modified, re-enacted or consolidated whether before or after the date of this Agreement;
  - 1.4.2 any past statute or statutory provision (as from time to time modified, re-enacted or consolidated) which that statute or provision has directly or indirectly replaced; and
  - 1.4.3 any subordinate legislation made from time to time under that statute or statutory provision.
- 1.5 References to this Agreement shall include any Schedule to it and references to Clause(s) and Schedule(s) are to Clause(s) of, and Schedule(s) to, this Agreement.
- 1.6 References to books, records or other information mean books, records or other information in any form including paper, electronically stored data, magnetic media, film and microfilm.
- 1.7 The words “including”, “include”, “in particular” and words of similar effect shall not be deemed to limit the general effect of the words that precede them.
- 1.8 References in this Agreement to any time of a day shall be references to the time of the day in Hong Kong.
- 1.9 The expressions “Vendor”, “Vendor Guarantor” and “Purchaser”, shall, where the context permits, include their respective successors and personal representatives and permitted assigns.
- 1.10 All representations, warranties, undertakings, indemnities, covenants, agreements and obligations given or entered into by more than one person are given or entered into jointly and severally.
- 1.11 Any statement in this Agreement qualified by the expression “*so far as the Vendor is aware*”, “*to the Vendor’s best knowledge*” or any similar expression is made on the basis of the information, knowledge and belief of the board of directors of the Vendor after due enquiry made as permitted under the Applicable Laws.

**2. Agreement to Sell the Sale Shares**

- 2.1 Subject to the terms of this Agreement, the Vendor shall sell, and the Purchaser shall purchase, free from all Encumbrances and together with all rights and entitlements which the Vendor has in the Sale Shares as at the Completion Date (including but not limited to any distributions, dividends, share options, warrants, bonus and rights issue) attaching or accruing thereto.

**3. Consideration**

- 3.1 The consideration for the sale and purchase of the Sale Shares shall be the aggregate sum of HK\$33,600,000, which shall be payable by the Purchaser to the Vendor on Completion in the manner under Clause 4.

**4. Completion**

- 4.1 Completion of the sale and purchase of the Sale Shares shall take place immediately after the signing of this Agreement at 8:00 am (Hong Kong Time) on the Completion Date at the office of the solicitors of the Vendor in Hong Kong (or such other time and place as may be agreed between the Parties).

- 4.2 At Completion, the Purchaser shall:

- (a) in relation to the 360,000,000 Sale Shares which are currently in physical script (the “**Script Shares**”),
  - (i) deliver to, or procure the delivery to, the Vendor or as it may direct of the bought note(s) and instrument(s) of transfer in respect of the Script Shares, duly signed by the Purchaser; and
  - (ii) procure the stamping of the bought and sold notes and the instrument(s) of transfer in respect of the Script Shares and the payment of the stamp duty thereon forthwith without attracting any penalty and present the said instrument(s) of transfer together with the share certificates in respect of the Script Shares to the branch share registrar of the Company in Hong Kong for registration of the transfers;
- (b) in relation to the 200,000,000 Sale Shares which are currently in CCASS (the “**Scripless Shares**”), procure its designated CCASS participant to act accordingly with the Vendor’s designated CCASS participant for the transfer; and
- (c) deliver to the Vendor, a copy, certified as true and complete by the sole director of the Purchaser or a certified public accountant (practising), of resolutions of its sole director and its sole shareholder authorising the execution, delivery and performance by the Purchaser of this Agreement and all other transactions contemplated under this Agreement and authorising a person or persons to execute the same and all other documents relating or incidental thereto (under seal, where appropriate) for and on its behalf.

4.3 At Completion, the Purchaser shall pay the consideration for the Sale Shares in the following manners:

- (a) in respect of the Script Shares, pay by a cheque or cheques and/or a cashier order issued by the licensed bank in Hong Kong drawn in favour of the Vendor Guarantor as Vendor's nominee in the amount of HK\$21,600,000, or in such manner as may be agreed by the parties thereto; and
- (b) in respect of the Scripless Shares, pay by electronic funds transfer in the amount of HK\$12,000,000 to the securities account designated by the Vendor on a real time delivery/receipt versus payment basis.

4.4 At Completion, the Vendor shall:

- (a) for the Script Shares,
  - (i) deliver to, or procure the delivery to, the Purchaser or as it may direct of the sold note(s) and instrument(s) of transfer in respect of the Script Shares, duly signed by the Vendor;
  - (ii) deliver or procure the delivery of the original share certificate(s) in respect of the Script Shares; and
  - (iii) a cheque issued in favor of "the Government of the Hong Kong Special Administrative Region" in such an amount representing the stamp duty payable by the Vendor in accordance with Clause 10.7 hereof for the Script Shares;
- (b) for the Scripless Shares,
  - (i) procure that its designated CCASS participant gives an irrevocable delivery instruction to effect a book-entry settlement of the Scripless Shares in accordance with this Agreement and the General Rules and the Operational Procedures of CCASS to the credit of the stock account of the CCASS participant designated by the Purchaser on a real time delivery/receipt versus payment basis; and
  - (ii) deliver to, or procure the delivery to, the Purchaser or as it may direct of evidence of the giving of the delivery instructions referred to Clause 4.4(b)(i) above;
- (c) deliver to the Purchaser a copy, certified as true and complete by the sole director of the Vendor or its solicitors, of resolutions of its sole director and its sole shareholder authorising the execution, delivery and performance by the Vendor of this Agreement and all other transactions contemplated under this Agreement and authorising a person or persons to execute the same and all other documents relating or incidental thereto (under seal, where appropriate) for and on its behalf; and

- (d) (if required by the Purchaser) cause such persons as the Purchaser may nominate to be validly appointed as directors of the Company, subject to their being acceptable to the Stock Exchange, with effect from the earliest time permitted under (or pursuant to any dispensation from) the Takeovers Code or by the SFC.

4.5 If any of the Vendor or the Purchaser fails or is unable to perform any of its obligations pursuant to Clauses 4.1 to 4.4, the other Party shall not be obliged to complete the sale and purchase of the Sale Shares and may by written notice to the Vendor or the Purchaser (as the case may be):

- (1) terminate this Agreement (other than the Surviving Provisions); or
- (2) elect to complete this Agreement on that date as far as practicable (without prejudice to the rights of that other Party(ies) under this Agreement) and specify a later date on which the Parties shall be obliged to complete their outstanding obligations; or
- (3) elect to defer completion of this Agreement to a date which is not more than 15 Business Days from the Completion Date, in which event, the provisions of this Clause 4 shall, mutatis mutandis, apply if the Vendor or Purchaser (as the case may be) fails or is unable to perform any such obligations on such other date.

## **5. Warranties and Indemnities**

### **5.1 Vendor's Warranties**

5.1.1 The Vendor represents and warrants to the Purchaser (for itself and for the benefit of its successors) that the Warranties are as at the date of this Agreement and shall at all times up to and including the Completion Date, be true and accurate and not misleading in any material respect (save for the Fundamental Warranties which will be true and accurate and not misleading in any respect). Save that to the extent that any such warranty already contains a materiality qualification, such warranty is accurate in all respects. The Vendor acknowledges that the Purchaser has entered into this Agreement in reliance on the Warranties. The Vendor agrees that the Purchaser shall treat each of the Warranties as a condition of this Agreement.

5.1.2 Each of the Warranties shall be separate and independent and shall not be limited by reference to any other paragraph of this Clause 5.1, the Schedule I or by any other provision in this Agreement.

5.1.3 The Warranties shall survive Completion and, subject to Clause 5.1.6, the rights and remedies of the Purchaser in respect of any breach of the Warranties shall not be affected by Completion or by any investigation made by or on behalf of the Purchaser into the affairs of the Group or by facts known to the Purchaser or by the Purchaser failing to exercise or delaying the exercise of any right or remedy, or by any other event or matter whatsoever, and no single or partial exercise of any right or remedy shall preclude any further or other exercise.

5.1.4 The total liability of the Vendor in respect of any claim by the Purchaser under



this Agreement shall be limited as provided in this Clause 5.1.4:

- (i) the Vendor shall be under no liability in respect of any claim by the Purchaser unless the Vendor shall have received written notice from the Purchaser prior to the date falling 24 months after the Completion Date in respect of any such claim giving full details of such claim, and any such claim shall (if not previously satisfied, settled or withdrawn) be deemed to have been waived at the expiration of the said 24<sup>th</sup> month period;
- (ii) the Vendor shall have no liability in respect of any individual matter unless the liability of the Vendor in respect thereof shall exceed an amount of HK\$500,000; and
- (iii) the aggregate amount of liability of the Vendor shall not exceed the amount of the consideration received pursuant to this Agreement.

5.1.5 The liability of the Vendor shall not be limited by Clause 5.1.4 in respect of a claim arising as a result of any fraud or dishonesty or willful concealment of any of the Vendor, its officers, employees or professional advisers.

5.1.6 No other information relating to any member of the Group of which the Purchaser has knowledge (actual or constructive) and no investigation by or on behalf of the Purchaser shall prejudice any claim made by the Purchaser under such Warranties or under the indemnity contained in this Agreement or operate to reduce any amount recoverable and it shall not be a defence to any claim against the Vendor that the Purchaser knew or ought to have known or had constructive knowledge of any information relating to the circumstances giving rise to such claim.

## 5.2 Purchaser's Warranties

5.2.1 The Purchaser hereby represents and warrants to the Vendor that:

- (1) it has the legal right and corporate power and has obtained all necessary approval, authorisation and consents to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated in this Agreement;
- (2) it has taken all necessary corporate and other action to authorise the entering into and performance of this Agreement and to carry out the transactions contemplated in this Agreement;
- (3) this Agreement shall, when executed, constitute legal, valid and binding obligations on it in accordance with its terms;
- (4) all information contained in this Agreement to the extent relates to itself was when given and shall at all times up to and including the Completion Date be true and accurate and not misleading in any material respect; and
- (5) the Purchaser's warranties in this Clause are as at the date of this Agreement

and shall at Completion, be true, accurate and not misleading in all respects.

5.3 Indemnity by the Vendor

Subject to Clause 5.1.4, the Vendor hereby agrees to (i) indemnify the Purchaser, or (ii) (if the Purchaser so directs in writing) covenant to pay the Purchaser an amount equal to, all losses, damages, payments, penalties, charges, interest, costs and expenses (including legal costs and expenses), which the Purchaser may reasonably incur or suffer arising from, relating to, as a result of or in connection with any breach by the Vendor of its obligations, commitments, undertakings, indemnities or covenants under or pursuant to any of the Warranties.

**6 Undertakings**

- 6.1 The Vendor hereby undertakes that during the period commencing from the date of this Agreement and ending on the date of termination of this Agreement (the “**Exclusivity Period**”), neither the Vendor nor any of its employees or agents or advisers will directly or indirectly solicit or initiate the submission of any proposal or offer from any other person relating to a possible disposal of the Sale Shares or any part thereof, or actively respond to any proposal or offer from any other person relating to the same (whether unsolicited or solicited prior to the Exclusivity Period), or give to any other person any information (not being information publicly available) about the Sale Shares, or directly or indirectly enter into any agreement or arrangement with any person with respect to such a proposal or offer (whether or not such proposal or offer would take place during or after the Exclusivity Period).

The Vendor further undertakes to forthwith terminate all discussions or other contact with third parties (if any) relating to any proposed disposal of the Sale Shares or any part thereof.

- 6.2 The Parties shall use their respective best efforts to secure, if necessary, the consent of the SFC to the posting of the Circular containing the Offer after Completion.
- 6.3 The Vendor undertakes to the Purchaser that it shall (as shareholders), and to use its best endeavours to procure the Company and its directors, comply with their respective obligations under the Takeovers Code. Following Completion and in accordance with the Takeovers Code, the Parties shall use their respective best endeavours (and the Vendor shall use its best endeavours to procure that the Company uses its best endeavours) to procure the despatch by such date as is required under the Takeovers Code (or such later date as may be approved by the SFC and agreed in writing between the Parties) to all holders of the Shares on the register of members of the Company of the Circular. The Vendor and the Purchaser shall further procure that the appropriate forms of acceptance and transfer shall be despatched with each copy of the Circular.
- 6.4 The Parties hereby undertake that they will each use all reasonable endeavours to supply such information as may be reasonably necessary to be included in the documents to be despatched or the announcements to be issued pursuant to the Takeovers Code in connection with the Offer, take respective responsibility for such information and authorise the publication, despatch and/or release of such documents and announcements.

## **7 Termination**

### **7.1 If at any time prior to Completion:-**

- (i) the Vendor commits or has committed any material breach of or omits or fails or has omitted or failed to observe any of its obligations or undertakings expressed to be assumed by it under this Agreement or the transactions contemplated in this Agreement in any aspect, which breach, omission or failure is not rectified by the Vendor within 10 Business Days from the date of such breach, omission or failure;
- (ii) any of the Warranties is not true and accurate or is misleading in any material respect;
- (iii) a Material Adverse Effect (or Change) has occurred or is likely to occur;
- (iv) the Shares cease to be listed and traded on the Stock Exchange, except for the suspension of trading of the Shares in connection with the clearance by the Stock Exchange and the SFC of the Announcement;
- (v) the Stock Exchange has notified or indicated to or directed the Company that the current listing of the Shares on the Stock Exchange may or will be halted, suspended, withdrawn or cancelled (pursuant to Rule 9.01 or 9.04 of the GEM Listing Rules or otherwise), or the SFC has notified or indicated to the Company that it may object to such continued listing (pursuant to the Securities and Futures (Stock Market Listing) Rules (Cap. 571V of the Laws of Hong Kong));
- (vi) any of the authorisation, registration, filings, licences, confirmations, clearances, rulings, decisions, permissions, notifications and approvals by the Authorities or the banker or creditors of any of the Group Companies, or any other third party that are necessary or appropriate for or in connection with the transactions contemplated under this Agreement are not obtained, or if obtained, are revoked;
- (vii) any notice, order, judgment, action or proceeding of any Authority is served, issued or made which restrains, prohibits or makes unlawful any transaction contemplated in this Agreement or which is reasonably likely to materially and adversely affect the right of the Purchaser to own the legal and beneficial title of the Sale Shares, free from Encumbrances; or
- (viii) the Company has become the subject of any investigation, enquiry, notice of actual or possible non-compliance or violation, or any kind of written communications, relating to the compliance with the Applicable Laws, any other rules and regulations (including, without limitation, the Securities and Futures Ordinance (Cap. 571), the Securities and Futures (Stock Market Listing) Rules (Cap. 571V), the GEM Listing Rules), conducted or issued by the SFC, the Stock Exchange or any other Authorities, or there are any information, facts or circumstances which give rise or are likely to give rise to any such investigation, enquiry, notice of actual or possible non-compliance or violation or written communications (for the avoidance of doubt, the issue of letter(s) by

the Stock Exchange to the Company enquiring on the compliance with or fulfilment of the requirements of Rule 17.26 of the GEM Listing Rules or otherwise in similar effect and failure by the Company to respond to any of such enquires shall be deemed to be an event or occurrence under this Clause 7.1(viii));

then, in any such case, the Purchaser may, at any time and in its absolute discretion without any liability on its part, by notice in writing to the Vendor, terminate this Agreement.

7.2 The right to forthwith terminate this Agreement under each of Clause 7.1(i) to (viii) is a separate and independent right and the exercise of any such right shall not affect or prejudice or constitute a waiver of any other right, remedy or claim which the Purchaser may have as at the date of such notice (including but not limited to any other right to terminate this Agreement).

7.3 Upon the giving of notice pursuant to Clause 7.1 by the Purchaser, this Agreement shall terminate without liability to any Party, provided however that (a) the Surviving Provisions shall continue in full force following such termination; and (b) the termination of this Agreement shall be without prejudice to the rights of any Party hereunder against the other Party(ies) for any breach accrued prior to such termination.

7.4 If at any time prior to Completion:-

- (i) any of the Purchaser's warranties set out in Clause 5.2 is not true and accurate or is misleading in any material respect; or
- (ii) the Purchaser fails to comply in all material respects with its obligations contained in this Agreement to be complied by it,

then, in any such case, the Vendor may, at any time and in its absolute discretion without any liability on its part, by notice in writing to the Purchaser, terminate this Agreement.

7.5 The right to forthwith terminate this Agreement under each of Clause 7.4(i) to (ii) is a separate and independent right and the exercise of any such right shall not affect or prejudice or constitute a waiver of any other right, remedy or claim which the Vendor may have as at the date of such notice (including but not limited to any other right to terminate this Agreement).

7.6 Upon the giving of notice pursuant to Clause 7.4 by the Vendor, this Agreement shall terminate without liability to any Party, provided however that (a) the Surviving Provisions shall continue in full force following such termination; and (b) the termination of this Agreement shall be without prejudice to the rights of any Party hereunder against the other Party(ies) for any breach accrued prior to such termination.

## **8. Guarantee and Indemnity by the Vendor Guarantor**

8.1 In consideration of the Purchaser entering into this Agreement and subject to Clause 8.2, the Vendor Guarantor hereby unconditionally and irrevocably guarantees to the Purchaser the due and punctual performance and observance by the Vendor of all its

respective obligations, commitments, undertakings, warranties, indemnities and covenants under or pursuant to this Agreement and agrees to indemnify and covenant to pay to the Purchaser in full amount against all losses, damages, payments, penalties, charges, interest, costs and expenses (including legal costs and expenses) which the Purchaser may reasonably incur or suffer through or arising from any breach by the Vendor of such obligations, commitments, warranties, undertakings, indemnities or covenants under any of the Warranties. The liability of the Vendor Guarantor as aforesaid shall not be released or diminished by any arrangements or alterations of terms (whether of this Agreement or otherwise) or any forbearance, neglect or delay in seeking performance of the obligations hereby imposed or any granting of time for such performance.

- 8.2 For the avoidance of doubt, the liability of the Vendor Guarantor under Clause 8 shall be limited in the same manner as for the Vendor's liability under Clause 5.1.4, and in any event shall not exceed the aggregate amount of the consideration received by the Vendor pursuant to this Agreement.
- 8.3 If and whenever the Vendor defaults for any reason whatsoever in the performance of any obligation or liability undertaken or expressed to be undertaken by it under or pursuant to this Agreement, the Vendor Guarantor shall promptly upon demand unconditionally perform (or procure performance of) and satisfy (or procure the satisfaction of) the obligation or liability in regard to which such default has been made in the manner prescribed by this Agreement (as the case may be) so that the same benefits shall be conferred on the Purchaser as if it would have received if such obligation or liability had been duly performed and satisfied by the Vendor or any of them (as the case may be). The Vendor Guarantor hereby waives any rights which he may have to require the Purchaser to proceed first against or claim payment from the Vendor to the intent that as between the Purchaser and the Vendor Guarantor the latter shall be liable as principal debtors as if he had entered into all undertakings, agreements and other obligations with the Vendor.
- 8.4 This guarantee and indemnity is to be a continuing security to the Purchaser for all obligations, commitments, warranties, undertakings, indemnities and covenants on the part of the Vendor under or pursuant to this Agreement notwithstanding any settlement of account or other matter or thing whatsoever.
- 8.5 This guarantee and indemnity is in addition to and without prejudice to and not in substitution for any rights or security which the Purchaser may now or hereafter have or hold for the performance and observance of the obligations, commitments, undertakings, covenants, indemnities and warranties of the Vendor under or in connection with this Agreement.
- 8.6 In the event of the Vendor Guarantor having taken or taking any security from the Vendor in connection with this guarantee and indemnity, the Vendor Guarantor hereby undertakes to hold the same in trust for the Purchaser pending discharge in full of all the Vendor Guarantor's obligations under this Agreement. The Vendor Guarantor shall not, after any claim has been made pursuant to this Clause 8, claim from the Vendor any sums which may be owing to him from the Vendor or have the benefit of any set-off or counter-claim or proof against or dividend, composition or payment by the Vendor until all sums owing to the Purchaser in respect hereof shall have been paid in full.

- 8.7 As a separate and independent stipulation, the Vendor Guarantor agrees that any obligation expressed to be undertaken by him or the Vendor under this Agreement (including, without limitation, any moneys expressed to be payable under this Agreement) which may not be enforceable against or recoverable from the Vendor by reason of any legal limitation, disability or incapacity of any of them or any other fact or circumstance shall nevertheless be enforceable against or recoverable from the Vendor Guarantor as though the same had been incurred by the Vendor Guarantor and the Vendor Guarantor was the sole or principal obligor in respect thereof and shall be performed or paid by the Vendor Guarantor on demand.

## **9. Confidentiality and Announcement**

- 9.1 Save for disclosure obligations of the Purchaser and the Company which may be required under the GEM Listing Rules, the Takeovers Code or are otherwise requested by the SFC, the Stock Exchange or other Authorities, no public announcement or communication of any kind shall be made by the Parties in respect of the subject matter of this Agreement.
- 9.2 Without prejudice to Clause 9.1, each Party undertakes to the other Parties that it shall treat as strictly confidential, and shall procure that its directors, officers and employees treat as strictly confidential, all information (whether oral, graphic, written or in electronic form) which it receives or obtains as a result of entering into or performing this Agreement, including, without limitation:
- (i) information relating to the provisions and subject matter of this Agreement;
  - (ii) information relating to the existence of this Agreement and its purpose; and
  - (iii) information relating to the negotiations leading up to this Agreement, including any information relating to or in respect of any negotiations and communications between the Parties after the date of this Agreement.
- 9.3 The restrictions contained in Clause 9.2 shall not apply so as to prohibit disclosure or use of any information if and to the extent:
- (i) the disclosure is made by a Party to its directors, officers, employees and advisers for purposes relating to this Agreement or the transactions contemplated under this Agreement or in the case of the Purchaser, to potential financier(s) or any other person proposing to enter into contractual arrangement(s) with it in relation to the financing of the transactions contemplated under this Agreement on terms that they agree to keep such information confidential;
  - (ii) the information becomes publicly available (other than by a breach of this Clause 9);
  - (iii) the other Parties have given prior written consent to the disclosure or use; or
  - (iv) the disclosure or use is required for the purpose of any judicial or arbitral proceedings arising out of, or in connection with, this Agreement.

## **10. General**

- 10.1 The Vendor shall upon request by the Purchaser execute, do and perform or procure to be executed, done and performed by other necessary parties all such further acts, agreements, assignments, assurances, deeds and documents as the Purchaser may reasonably require effectively to vest the legal and beneficial ownership of the Sale Shares in the Purchaser as it may direct free from all Encumbrances and with all rights now and hereafter attaching thereto.
- 10.2 This Agreement contains the whole agreement among the Parties relating to the subject matter of this Agreement to the exclusion of any terms implied by law which may be excluded by contract and supersedes any previous written or oral agreement between the Parties in relation to the matters in this Agreement.
- 10.3 The Purchaser may release in whole or in part and in such manner as it thinks fit the Vendor Guarantor from this Agreement and compound with or otherwise vary or agree to vary the liability of or grant time or indulgence to or make other arrangements with the Vendor Guarantor without prejudicing or affecting its rights and remedies against the Vendor Guarantor.
- 10.4 Except as otherwise expressly provided in this Agreement, none of the Parties may, without the prior written consent of the other Parties, assign, grant any security interest over, hold on trust or otherwise transfer the benefit or burden of the whole or any part of this Agreement.
- 10.5 Time shall be of the essence of this Agreement.
- 10.6 No variation of this Agreement shall be effective unless in writing and signed by or on behalf of each of the Parties.
- 10.7 The Parties agree that each of them shall bear its own costs and expenses in connection with the preparation and negotiation of this Agreement and all registration, stamp duty and transfer taxes payable in connection with the sale and purchase of the Sale Shares shall be borne by the Vendor as to 50 per cent. and the Purchaser as to 50 per cent.
- 10.8 Notices
- 10.8.1 Any notice, claim, demand, court process, document or other communication in connection with this Agreement (each, a “**Notice**”) shall be:
- (i) in writing in English; and
  - (ii) delivered by hand, electronic mail, registered post or by courier using an internationally recognised courier company.
- 10.8.2 A Notice to the Vendor and the Vendor Guarantor shall be sent to the following address, or such other person or address as the Vendor and the Vendor Guarantor may notify to the Purchaser from time to time:

**The Vendor**

Address: 8th Floor, Wheelock House, 20 Pedder Street, Central,  
Hong Kong  
E-mail address: ttchan@edico.com.hk  
Attention: Mr. Chan Tsang Tieh

**Vendor Guarantor**

Address: as set out in the beginning of this Agreement  
E-mail address: ttchan@edico.com.hk

10.8.3 A Notice to the Purchaser shall be sent to the following address, or such other person or address as the Purchaser may notify to the Vendor from time to time:

Address: 15th Floor, Oriental Centre, 67-71 Chatham Road  
South, Tsim Sha Tsui, Kowloon, Hong Kong  
E-mail address: kenluisworkk@gmail.com  
Attention: Mr. Lui Yu Kin

10.8.4 A notice shall be effective upon receipt and shall be deemed to have been received (i) at the time of delivery, if delivered by hand, registered post or courier or (ii) at the time of transmission if delivered by electronic mail provided that in either case, where delivery occurs after 5:00 p.m. at the place of delivery, notice shall be deemed to have been received on the next following business day at the place of delivery.

10.8.5 Nothing in this Clause 10.8 shall preclude the service of communication or the proof of such service by any mode permitted by law.

**10.9 Invalidity**

(A) If any provision in this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, the provision shall apply with whatever deletion or modification is necessary so that the provision is legal, valid and enforceable and gives effect to the commercial intention of the Parties.

(B) To the extent it is not possible to delete or modify the provision, in whole or in part, under this Clause 10.9, then such provision or part of it shall, to the extent that it is illegal, invalid or unenforceable, be deemed not to form part of this Agreement and the legality, validity and enforceability of the remainder of this Agreement shall, subject to any deletion or modification made under this Clause 10.9, not be affected.

10.10 This Agreement may be entered into in any number of counterparts, all of which taken together shall constitute one and the same instrument.

10.11 Without prejudice to any other rights or remedies which a Party may have under this Agreement, the Parties acknowledge and agree that damages may not be an adequate remedy for any breach of this Agreement and the remedies of injunction, specific



performance and other non-monetary remedies (in addition to damages) as permitted by Applicable Laws are appropriate for any threatened or actual breach of any provision of this Agreement and no proof of special damages shall be necessary for the enforcement of the rights under this Clause 10.11.

#### 10.12 Governing Law and Jurisdiction

- (a) This Agreement is governed by and shall be construed in accordance with the Laws of Hong Kong.
- (b) The Parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong in connection with this Agreement.

#### 10.13 Process Agent

- (a) The Vendor hereby irrevocably appoints the Vendor Guarantor as its agent to receive and acknowledge on its behalf service of any writ, summons, order, judgment or other notice of legal process in Hong Kong. If for any reason the agent named above (or its successor) no longer serves as agent of the Vendor for this purpose, the Vendor shall promptly appoint a successor agent satisfactory to the Purchaser, notify the Purchaser thereof and deliver to the Purchaser a copy of the new process agent's acceptance of appointment provided that until the Purchaser receives such notification, it shall be entitled to treat the agent named above (or its said successor) as the agent of the Vendor for the purposes of this Clause.
- (b) The Purchaser hereby irrevocably appoints Akron Corporate Finance Limited of 23A, China United Centre, 28 Marble Road, North Point, Hong Kong as its agent to receive and acknowledge on its behalf service of any writ, summons, order, judgment or other notice of legal process in Hong Kong. If for any reason the agent named above (or its successor) no longer serves as agent of the Purchaser for this purpose, the Purchaser shall promptly appoint a successor agent satisfactory to the Vendor, notify the Vendor thereof and deliver to the Vendor a copy of the new process agent's acceptance of appointment provided that until the Vendor receives such notification, it shall be entitled to treat the agent named above (or its said successor) as the agent of the Purchaser for the purposes of this Clause.

#### 10.14 Third Party Rights

Except as expressly provided elsewhere in this Agreement, a person who is not a Party shall not have any rights under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce, or enjoy the benefit of, any term of this Agreement.

**SCHEDULE I - Warranties**  
**The Group Structure and the Company**

In this Schedule unless the context otherwise indicates, each of the Warranties in relation to the Company shall be deemed to be repeated mutatis mutandis in relation to each of the Group Companies and in such repeated Warranties references to the Company shall be deemed to be a reference to such Group Companies.

1. General Information and Group Structure

- (A) All information contained in this Agreement in relation to the Company and the Group to the extent it relates to any member of the Group is true, accurate and complete in all material respect.
- (B) No Group Company has agreed to allot or issue any securities or other ownership interest.
- (C) The Company is a company whose Shares are listed and traded on GEM of the Stock Exchange. So far as the Vendor is aware, the Stock Exchange has not notified the Company that the listing of the Shares on GEM of the Stock Exchange will be withdrawn and the SFC has not notified the Company that it may object to such listing.

2. Shares and Options

2.1 Save as Disclosed and so far as the Vendor is aware:

- (A) there is no option, right to acquire, mortgage, charge, pledge, lien or other form of security, encumbrance or third-party rights on, over or affecting any part of the unissued capital or loan capital of any Group Company or over any part of the issued or unissued capital or loan capital of any Group Company and there is no agreement or commitment to give or create any of the foregoing and no claim has been made by any person to be entitled to any of the foregoing which has not been waived in its entirety or satisfied in full; and
- (B) there is no agreement or commitment outstanding which calls for the allotment of or issue or accords to any person the right to call for the allotment or issue of any shares in or securities or debentures of any Group Company.

2.2 The Sale Shares were duly allotted and issued fully paid in accordance with the constitutional documents of the Company and in compliance with all Applicable Laws as at the date of this Agreement and the Completion Date.

2.3 The Sale Shares represent approximately 56% of the issued share capital of the Company as at the date of this Agreement and the Completion Date (assuming no issue or repurchase of any Shares by the Company), and shall at all times up to Completion be free from any Encumbrance. The Vendor is the sole beneficial owner of the Sale Shares and has now and shall have at all times up to Completion the full right, power and authority to sell and transfer the entire interest in the Sale Shares to the Purchaser free from any Encumbrance and together with all rights and entitlements now or hereafter becoming attached thereto. The legal and beneficial owner of the Vendor is the Vendor Guarantor.

3. Corporate Matters

The Company is duly incorporated or established and validly existing under the laws of its place of incorporation or establishment.

4. Accounts

(A) To the Vendor's best knowledge, the Audited Accounts

- (i) were, to the extent applicable, prepared in accordance with Applicable Laws (including the Companies Ordinance) and with the International Financial Reporting Standards issued by the International Accounting Standards Board at the time they were prepared and, on a consistent basis with the audited consolidated financial statements of the Group for the financial year ended 30 September 2023;
- (ii) are true and accurate, correctly make or include full provision for any bad and doubtful debts and all established liabilities (including dividends or other distributions), make proper and adequate provision for (or contain a note in accordance with good accounting practice respecting) all deferred, disputed or contingent liabilities (whether liquidated or unliquidated) and all capital commitments of the Group as at the Accounts Date and the reserves and provisions (if any) made therein for all Taxation relating to any period on or before the relevant Accounts Date are proper and adequate;
- (iii) give and reflect a true and fair view of the state of affairs and financial and trading positions of the Group at the relevant Accounts Date and of the Group's results for the financial period ended on that date;
- (iv) are not adversely affected by any unusual, exceptional, extraordinary or nonrecurring items which are not disclosed; and
- (v) all of the Company's book debts, whether shown in the Accounts or arising since the Accounts Date, are valid and enforceable.

(B) To the Vendor's best knowledge, the Management Accounts

- (i) were, to the extent applicable, prepared in accordance with Applicable Laws (including the Companies Ordinance) and with the International Financial Reporting Standards issued by the International Accounting Standards Board at the time they were prepared and, on a consistent basis with the Audited Accounts;
- (ii) are true and accurate, correctly make or include full provision for any bad and doubtful debts and all established liabilities (including dividends or other distributions), make proper and adequate provision for (or contain a note in accordance with good accounting practice respecting) all deferred, disputed or contingent liabilities (whether liquidated or unliquidated) and all capital commitments of the Group as at 30 June 2024 and the reserves and provisions (if any) made therein for all Taxation relating to any period on or before 30 June 2024 are proper and adequate;

- (iii) give and reflect a true and fair view of the state of affairs and financial and trading positions of the Group as at 30 June 2024 and of the Group's results for the financial period ended on that date;
  - (iv) are not adversely affected by any unusual, exceptional, extraordinary or nonrecurring items which are not disclosed; and
  - (v) all of the Company's book debts, whether shown in the Management Accounts or arising since 30 June 2024, are valid and enforceable.
- (C) The warranties set out herein in relation to the Accounts and the Management Accounts shall be deemed to be repeated, mutatis mutandis, in relation to the Accounts and the Management Accounts of each other member of the Group.
- (D) So far as the Vendor is aware and save as Disclosed, since the Accounts Date no liability or contingent liability for Tax has arisen otherwise than as a result of trading activities in the ordinary course of business of the Company.
- (E) So far as the Vendor is aware and save as Disclosed, the Company has duly filed all returns, computations, notices and information required to be made or provided by the Company for any Tax purpose and the same have been made or given within the requisite periods and on a proper basis and when made were true and accurate in all material respects and are up to date and none of them is or is likely to be the subject of any dispute with any Tax authority.
- (F) So far as the Vendor is aware and save as Disclosed, the Company has paid when due, and has withheld, deducted and accounted to the relevant Tax authorities for, all Tax, including provisional taxation, which it has become liable to pay, withhold, deduct or account for on or before the date hereof and within the period of seven years prior to the date hereof neither the Company nor any director or officer of the Company has paid or become liable to pay any fine, penalty, surcharge or interest in relation to Tax.
- (G) The Company has never been resident for Tax purposes in any jurisdiction other than Hong Kong and has never carried on a trade or business for Tax purposes other than the trade or business which the Company will be carrying on at Completion.

5. No Material Adverse Effect (or Change)

So far as the Vendor is aware and save as Disclosed, since the Accounts Date, there has not been any Material Adverse Effect (or Change) affecting the financial or trading position, prospects, goodwill or the overall business of the Company.

6. Insolvency

So far as the Vendor is aware and save as Disclosed:

- (A) no order has been made or resolution passed for the winding up of the Group Company and there is not outstanding :-

- (i) any petition or order for the winding up of the Group Company;
  - (ii) any receivership from liquidator, provisional liquidator, administrator, receiver, trustee, custodian or similar officer of the whole or any part of the undertaking or assets of the Group Company;
  - (iii) any petition or order for the administration of the Group Company; or
  - (iv) any voluntary arrangement between the Group Company and any of its creditors;
- (B) there are no circumstances which would entitle any person to present a petition for the winding up or administration of the Group Company or to appoint a receiver of the whole or any part of its undertaking or assets; or
- (C) no distress, execution or other process has been levied against the Group Company or action taken to repossess goods in the possession of the Group Company.

7. Stock Exchange and General Compliance

So far as the Vendor is aware and save as Disclosed:

- (A) the Company is not in breach of any rules, regulations or requirements of the Stock Exchange or its listing agreement made with the Stock Exchange in any material aspect (and, without limiting the foregoing, all announcements required to be made by the Company under or in accordance with any such rules, regulations or requirements, or pursuant to such listing agreement, have been duly made in all material aspect); or
- (B) the Group Company not having become the subject of any investigation, inquiry, notice of actual or possible non-compliance or violation, or any kind of written communications, relating to the compliance with the Applicable Laws, any other rules and regulations (including, without limitation, the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), the Securities and Futures (Stock Market Listing) Rules (Cap. 571V of the Laws of Hong Kong), the GEM Listing Rules and the Corporate Governance Code under the GEM Listing Rules), by the SFC, the Stock Exchange or any other Authorities, nor there being any information, facts or circumstances which give rise or are likely to give rise to any such investigation, inquiry, notice of actual or possible non-compliance or violation or written communications.

8. Miscellaneous

- (A) All representations, warranties and undertakings contained in the foregoing provisions of this Schedule shall be deemed to be repeated on each day up to and including the Completion Date and relate to the facts then subsisting.
- (B) So far as the Vendor is aware, all information given to the Purchaser by the Vendor pursuant to, in connection with, or otherwise contained in this Agreement was when given true and accurate in all material respects and there is no fact or matter which may render any such information or documents untrue, inaccurate or misleading in any material respects.

9. The Vendor

- (A) The Vendor is an entity duly incorporated or established and validly existing under the laws of its jurisdiction of incorporation or establishment.
- (B) The Vendor has necessary power and capacity to enter into and perform its obligations under this Agreement, which has been duly authorised, executed and delivered by the Vendor, and this Agreement constitutes legal, valid and binding obligations on the Vendor in accordance with its terms.
- (C) All information contained in this Agreement to the extent that it relates to the Vendor was, when given, true and accurate in all material respects.
- (D) Save as otherwise provided in this Agreement, the execution and delivery, and the performance by the Vendor of its obligations under this Agreement and the documents relating to the matters contemplated herein, shall not (a) result in a breach of any provision of the constitutional documents of the Parties (other than the Purchaser); or (b) result in a breach of any Applicable Laws; or (c) require any consent or approval of, or any notice be given to or any registration be made with, any Authority or other authority which has not been obtained or made at the date of this Agreement; or (d) so far as the Vendor is aware, constitute a default under or result in a breach of any provision of any agreement or arrangement to which any Group Company is a party or by which any of their respective assets are bound.

10. Trading and General Commercial Matters

So far as the Vendor is aware and save as Disclosed:

- (A) the Group Company has good and marketable title to (with full power to sell) all property and assets as are necessary to enable it properly to conduct its business as such business has been conducted prior to the date hereof and to all stocks used in its business. Save as disclosed in the Accounts, all such assets and stocks are free from any liens, mortgages, charges, encumbrances or other third party rights and are in the possession or under the control of the Group Company;
- (B) the Group Company is not a party to:
  - (i) any unusual or onerous contract, any contract not entered into in the ordinary course of business or not on arm's length terms, nor any contract which cannot be terminated without penalty or other compensation on less than 12 months' notice;
  - (ii) any agency, distribution, marketing, purchasing, franchising, licensing (whether by or to the Group Company), consulting, management, joint venture, shareholders' or partnership arrangement or agreement or similar arrangement;
  - (iii) any agreement or arrangement in which the Vendor or any of its directors or close associates or the directors of the Group Company is interested;
- (C) With respect to each contract, commitment, arrangement, understanding, tender and bid involving the Group Company:

- (i) the Group Company has duly performed and complied in all material respects with each of its obligations thereunder;
  - (ii) the Group Company is under no obligation which (i) cannot readily be fulfilled, performed or discharged by it on time and without undue or unusual expenditure or effort or loss; and (ii) may have any Material Adverse Effect;
  - (iii) there are no grounds for rescission, avoidance, repudiation or termination and the Group Company has not received any notice of rescission or termination; and
  - (iv) none of the other parties thereto is in default thereunder;
- (D) there are no loans, guarantees, pledges, mortgages, charges, liens, debentures, encumbrances or unusual liabilities given, made or incurred by or on behalf of the Group Company (and, in particular but without limiting the foregoing, no loans have been made by or on behalf of the Group Company to any directors or shareholders of the Group Company or to any close associate of any such directors or shareholders) and no person has given any guarantee of or security for any liability of the Group Company;
- (E) the execution, delivery and performance of this Agreement, including following a change in the control of the Company or in the composition of the board of directors of the Group Company, will not result in the breach, cancellation or termination of any of the terms or conditions of or constitute a default under any agreement, commitment or other instrument affecting the Group Company or its property or assets or result in the acceleration of any obligation under any loan agreement or in the loss of the benefit of or in liability to refund or repay any grant or any financial or Tax concession or relief or violate any Applicable Laws affecting the Group Company;
- (F) there are no circumstances whereby, following a change in the control of the Company or in the composition of the board of directors of the Group Company, any of the principal customers of or suppliers, bankers, creditors or licensors to the Group Company would have the right to, or would, cease to remain customers or suppliers or licensors to the same extent and of the same nature as prior to the date hereof;
- (G) the Group Company has no material capital commitments;
- (H) the Group Company is not in default under any provision of any contract or agreement to which it is a party or by which it is bound and no event has occurred which constitutes a default, or which with the giving of notice or the passage of time or otherwise, would constitute a default under such contract or agreement or which would require the premature repayment of any loans or other amounts due thereunder or which would result in a material adverse effect or change in the rights or privileges which the Group Company would otherwise have or enjoy or which would result in an increase in the liabilities or obligations of the Group Company and no party with whom the Group Company has entered into any agreement is in default thereunder;
- (I) the Group Company has at all times carried on its business in compliance with all Applicable Laws in all material respects. Save as Disclosed and so far as the Vendor is aware, the Group Company, has not, nor any of its directors and senior management in

relation to the Group Company, has committed any criminal offence or any tort or any breach of the requirements or conditions of any Applicable Laws or other obligation relating to the Group Company or the carrying on of its business and the Group Company has obtained and complied with all registrations, licences and consents necessary or advisable for the carrying on of its business, and all such registrations, licences and consents are valid and subsisting and there is no circumstances under which any of them would be suspended, cancelled or revoked (whether as a result of the sale and purchase of the Sale Shares pursuant to this Agreement or otherwise);

- (J) the Company has given no powers of attorney and no other authority express, implied or ostensible which is still outstanding or effective to any person to enter into any contract or commitment to do anything on its behalf other than the authority of employees to enter into routine trading contracts in the normal course of their duties;
- (K) there is no outstanding indebtedness or other liability (actual or contingent) owing by the Company to the Vendor or directors of the Company or any other Connected Person or owing to the Company by the Vendor or directors of the Company or any other Connected Person; or any guarantee or security for any such indebtedness or liability as aforesaid; and
- (L) all necessary licences, consents, permits and authorities (public and private) have been obtained by each Group Company to enable it to carry on its business effectively in the places and in the manner in which such business is now carried on or is contemplated to be carried on and all such licences, consents, permits and authorities are valid and subsisting, and the Vendor knows of no reason why any of them should be suspended, cancelled or revoked or should not be renewed or reissued upon or prior to their expiry.

#### 11. Intellectual Property

So far as the Vendor is aware and save as Disclosed:

- (A) the Group Company does not use any processes and is not engaged in any activities which involve the misuse of any know-how, lists of customers or suppliers, trade secrets, technical processes or other confidential information (the “**Confidential Information**”) belonging to any third party. There has been no actual or alleged misuse by any person of any of the Group Company’s Confidential Information. The Group Company has not disclosed to any person any of its Confidential Information except where such disclosure was properly made in the normal course of the Group Company’s business and was made subject to an agreement under which the recipient is obliged to maintain the confidentiality of such Confidential Information and is restrained from further disclosing it or using it other than for the purposes for which it was disclosed by the Group Company; and
- (B) the Group Company does not use any processes and is not engaged in any activities which infringe any patents, copyrights, trademarks, designs, business names, moral rights or other registerable or unregistrable intellectual property rights (the “**Intellectual Property Rights**”) of any third party. The Group Company is the sole beneficial owner of all Intellectual Property Rights used in connection with its business and the same are valid and enforceable and all such Intellectual Property Rights which are registerable are registered in its name as sole proprietor.



12. Insurance

Save as Disclosed and so far as the Vendor is aware, the Group Company has at all times maintained such insurance as it is or has been required by any statutory requirements or any agreement to which it is a party to maintain and has at all times been adequately covered against accident, third party, public liability, product liability and other risks normally covered by insurance and nothing has been done or omitted to be done by or on behalf of the Group Company which would make any policy of insurance void or voidable or enable the insurers to avoid the same and there is no claim outstanding under any such policy and the Vendor are not aware of any circumstances likely to give rise to such a claim or result in an increased rate of premium.

13. Litigation

- (A) Save as Disclosed and so far as the Vendor is aware, neither the Group Company nor any person for whose acts or defaults the Group Company may be vicariously liable is or are engaged whether as plaintiff or defendant or otherwise in any civil, criminal or arbitration proceedings or any proceedings before any tribunal (save for debt collection by the Group Company in the ordinary course of business) and there are no proceedings threatened or pending against the Group Company or any such person including proceedings in respect whereof the Group Company is liable to indemnify any party concerned therein and there are no facts which are likely to give rise to any litigation or proceedings. There are no unfulfilled or unsatisfied judgments or orders against the Group Company or any of its assets.

14. Employees

Save as Disclosed and so far as the Vendor is aware:

- (A) there has been no past and there is no existing or threatened or pending material industrial action or trade dispute involving the Group Company and any of its employees and there are no agreements or arrangements (whether oral or in writing or existing by reason of custom and practice) between the Group Company and any trade union or other employees' representatives concerning or affecting the Group Company's employees;
- (B) there are no existing service or other agreements or contracts between the Group Company and any of its directors or executives or employees which cannot be lawfully terminated by three (3) calendar months' notice or less without giving rise to any claim for damages or compensation other than a statutory redundancy or severance or long service payment, and the Group Company has complied with all its obligations under all ordinances, statutes and regulations, codes, orders and awards in connection with its employees and with all collective agreements with respect to trade unions or to employees of the Group Company;
- (C) the Group Company has at all relevant times complied with all its obligations under statute or otherwise concerning the health and safety at work of its employees, and there are no claims capable of arising or threatened or pending by any employee or third party in respect of any accident or injury which are not fully covered by insurance;

- (D) no term of employment of any employee of the Group Company provides that a change in control of the Company (however change of control may be defined, if at all) shall entitle the employee to treat the change of control as amounting to a breach of the contract or entitling him to any payment or benefit whatsoever or entitling him to treat himself as redundant or otherwise dismissed or released from any obligation;
- (E) there is no outstanding and there has not at any time been outstanding any contract or arrangement to which the Group Company is a party and in which any of the Vendor or directors or officers of the Group Company is or has been interested, whether directly or indirectly, other than arm's length service contracts and the Group Company is not a party to, nor have its profits or financial position at any time been adversely affected by, any contract or arrangement which is not of an entirely arm's length nature; save as aforesaid, there are no agreements or understandings (whether legally enforceable or not) between the Group Company and any person who is a shareholder or the beneficial owner of any interest in the Group Company or any other company controlled by any such person relating to the management of the Group Company's business or the appointment or the removal of its directors or the ownership or transfer of ownership or the letting of any of its assets or the provision of finance, goods, services or other facilities to or by the Group Company or otherwise howsoever relating to the Group Company or its affairs; and
- (F) none of the Vendor (or any of its close associates) is at the date hereof either individually or collectively or with any other person or persons engaged in any other business or concerned or interested in any way whatsoever in any other business of a similar nature to or competitive with that carried on by the Company.

*[The rest of the page is intentionally left blank]*

**SCHEDULE II – List of Documents**

The following documents are attached to this Agreement for the purpose of identification

- (i) Consolidated management accounts of the Company as at 30 June 2024

# CONTENTS

Unaudited Condensed Consolidated Statement of Financial Position

Unaudited Condensed Consolidated Statement of Profit or Loss and  
Other Comprehensive Income

Unaudited Condensed Consolidated Statement of Changes in Equity

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th June 2024

	2024 HK\$'000 (Unaudited)
Non-current Assets	
Property, plant and equipment	299
Right-of-use assets	4,805
Deferred tax assets	1,046
Total Non-current Assets	6,150
Current Assets	
Trade receivables	11,865
Contract assets	35
Prepayments, deposits and other receivables	2,532
Cash and cash equivalents	59,768
Total Current Assets	74,200
Current Liabilities	
Trade payables	6,848
Contract liabilities	9,414
Accruals	2,353
Lease liabilities	5,058
Total Current Liabilities	23,673
Net Assets	56,677
Capital and Reserves	
Share capital	10,000
Reserves	46,677
Total Equity	56,677

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

*For the nine months ended 30th June 2024*

	2024 HK\$'000
	(Unaudited)
Revenue	31,730
Cost of services	(15,543)
Gross profit	16,187
Other income	2,156
Selling and distribution expenses	(1,628)
Administrative expenses	(17,188)
Finance costs	(307)
Profit / (Loss) before tax	(780)
Income tax expense	-
Profit / (Loss) and total comprehensive income / (loss) for the period attributable to the owners of the Company	(780)
	HK cent
Earnings / (Loss) per share Basic and diluted	(0.08)

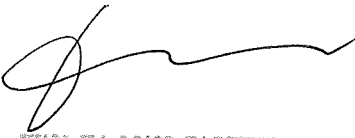
# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the nine months ended 30th June 2024*

	Share Capital HK\$'000	Share Premium HK\$'000	Capital Reserve HK\$'000	Merger Reserve HK\$'000	Retained Earnings HK\$'000	Total HK\$'000
At 1st October 2023 (audited)	10,000	36,735	5,074	16	5,632	57,457
Profit and total comprehensive income for the period	-	-	-	-	(780)	(780)
At 30th June 2024 (unaudited)	10,000	36,735	5,074	16	4,852	56,677
At 1st October 2022 (audited)	10,000	36,735	5,074	16	13,312	65,137
Loss and total comprehensive loss for the period	—	—	—	—	(4,937)	(4,937)
At 30th June 2023 (unaudited)	10,000	36,735	5,074	16	8,375	60,200

IN WITNESS whereof the parties hereto have executed this Agreement the day and year first above written.


SIGNED by the Vendor Guarantor, )  
a director, for and on behalf of the Vendor )  
in the presence of: )



WAN KA MAN CASSIDY  
a Solicitor of the High Court of the  
Hong Kong Special Administrative Region  
MICHAEL LI & CO.

SIGNED by the Purchaser )  
in the presence of: )

SIGNED SEALED AND DELIVERED by )  
the Vendor Guarantor in the presence of: )



WAN KA MAN CASSIDY  
a Solicitor of the High Court of the  
Hong Kong Special Administrative Region  
MICHAEL LI & CO.




IN WITNESS whereof the parties hereto have executed this Agreement the day and year first above written.

SIGNED by the Vendor Guarantor, )  
a director, for and on behalf of the Vendor )  
in the presence of: )

SIGNED by the Purchaser )  
in the presence of: )

kwok phi sau

*For and on behalf of*  
**JANTIX MANAGEMENT LIMITED**  
寶庭管理有限公司  
  
.....  
*Authorized Signature(s)*

SIGNED SEALED AND DELIVERED by )  
the Vendor Guarantor in the presence of: )



## **IRREVOCABLE UNDERTAKING**

Date: 7<sup>th</sup> October 2024

To: Jantix Management Limited  
15<sup>th</sup> Floor, Oriental Centre  
67-71 Chatham Road South  
Tsim Sha Tsui, Kowloon  
Hong Kong

Dear Sirs,

**Sale and purchase of shares in EDICO Holdings Limited (stock code: 8450) (the “Company”) and possible unconditional mandatory general offer (the “Offer”)**

I have been informed that potentially there may be a sale and purchase of 560,000,000 shares of the Company (or 56.0% of the entire issued share capital of the Company) where Achiever Choice Limited will be the vendor and Jantix Management Limited will be the purchaser (the “**Purchaser**”). As a result of the foregoing, an obligation of the Purchaser to make the Offer for all the issued shares in the Company (the “**Shares**”) (other than those already owned or agreed to be acquired by the Purchaser and parties acting in concert with it) may have been triggered pursuant to the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”).

I, the undersigned, hereby represent and warrant that I am the beneficial owner of 192,200,000 Shares (or approximately 19.2% of the entire issued share capital of the Company) (the “**Subject Shares**”). Save for the Subject Shares, I do not have any Shares, options, warrants, convertible securities, derivatives in respect of securities of the Company or other rights to subscribe for, purchase or otherwise acquire any securities of the Company (the “**Relevant Securities**”).

I hereby irrevocably and unconditionally undertake to you that, during the Term of Undertaking (as defined below), I:

- (1) shall not or shall not agree to, whether directly or indirectly, transfer, sell, charge, pledge or grant any option over or otherwise dispose of or create any encumbrances in respect of any of the Subject Shares or any part thereof or any interest in the Subject Shares or any part thereof prior to the earlier of the closing or lapse of the Offer;
- (2) shall not tender the Subject Shares for acceptance under the Offer, whether it comprises a higher offer or not and irrespective of the means by which it is to be implemented;
- (3) will not, and will procure any party acting in concert with me not to, acquire any of the Relevant Securities prior to the earlier of the closing or lapse of the Offer; and
- (4) to the extent any of the Subject Shares are held by a custodian or trustee, will procure that such custodian or trustee acts in accordance with the terms of this undertaking.

This undertaking shall take effect the date hereof until the earlier of the closing or lapse of the Offer (the “**Term of Undertaking**”).

I hereby represent and warrant that I have full power and authority and the right (free from any legal or other restrictions), and will at all times continue to have all relevant power and authority and the right, to make this undertaking and perform my obligations on the terms set out herein.

I hereby give consent to (i) the disclosure of the contents of this undertaking to the Securities and Futures Commission (the “SFC”) of Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong**”) and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), or in any announcements, circulars and documents to be made by you and/or the Company relating to the Offer pursuant to the Takeovers Code; and (ii) copy of this undertaking to be made available for inspection on the websites of the Company, the SFC and the Stock Exchange in accordance with the Takeovers Code.

This undertaking shall be governed by and construed in all respects in accordance with the laws of Hong Kong. I hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong.

**SIGNED and DELIVERED**  
by **YUEN SIN YEE CLAUDIA**

) 

**THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, stockbroker, bank manager, solicitor, professional accountant or other professional adviser and obtain independent professional advice.

If you have sold or transferred all your shares in **EDICO Holdings Limited**, you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, make no representation as to their 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 Composite Document and the accompanying Form of Acceptance.

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Offer.

**Jantix Management Limited** **EDICO Holdings Limited**  
**鉅京控股有限公司\***  
(incorporated in Hong Kong with limited liability) (incorporated in the Cayman Islands with limited liability)  
(Stock Code: 8450)

**COMPOSITE DOCUMENT  
RELATING TO  
MANDATORY UNCONDITIONAL CASH OFFER BY  
ASTRUM CAPITAL MANAGEMENT LIMITED  
FOR AND ON BEHALF OF JANTIX MANAGEMENT LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
EDICO HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED  
OR AGREED TO BE ACQUIRED BY JANTIX MANAGEMENT LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT)**

**Financial adviser to the Offeror**



**Offer agent to the Offeror**



**Independent Financial Adviser to the Independent Board Committee**

**MESSIS 大有融資**

Unless the context otherwise requires, capitalised terms used in this Composite Document (including this cover page) shall have the same meanings as those defined in the "Definitions" section of this Composite Document.

A letter from Astrum Capital containing, among other things, principal terms of the Offer is set out on pages 9 to 18 of this Composite Document. A letter from the Board is set out on pages 19 to 27 of this Composite Document. A letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the Offer is set out on pages 28 to 29 of this Composite Document. A letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Offer and the principal factors considered by it in arriving at its recommendation is set out on pages 30 to 42 of this Composite Document.

The procedures for acceptance and settlement as well as other related information of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance. The Form of Acceptance should be received by the Registrar, namely Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event no later than 4:00 p.m. on Tuesday, 26 November 2024 (or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce, with the consent of the Executive, in accordance with the Takeovers Code).

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside Hong Kong should read the details in this regard which are contained in the section headed "The Offer — Overseas Shareholders" in the "Letter from Astrum Capital" of this Composite Document before taking any action. It is the sole responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes due from the accepting Overseas Shareholders in respect of such jurisdictions). The Overseas Shareholders are advised to seek professional advice on deciding whether to accept the Offer (as applicable).

This Composite Document is issued jointly by the Offeror and the Company. This Composite Document will remain on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.edico.com.hk](http://www.edico.com.hk) as long as the Offer remains open. In case of any inconsistency, the English texts of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation.

\* For identification purpose only

5 November 2024

## **CHARACTERISTICS OF GEM**

**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.**

# CONTENTS

	<i>Page</i>
<b>EXPECTED TIMETABLE .....</b>	<b>1</b>
<b>DEFINITIONS .....</b>	<b>3</b>
<b>LETTER FROM ASTRUM CAPITAL .....</b>	<b>9</b>
<b>LETTER FROM THE BOARD .....</b>	<b>19</b>
<b>LETTER FROM THE INDEPENDENT BOARD COMMITTEE .....</b>	<b>28</b>
<b>LETTER FROM THE INDEPENDENT FINANCIAL ADVISER .....</b>	<b>30</b>
<b>APPENDIX I — FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE OFFER .....</b>	<b>I-1</b>
<b>APPENDIX II — FINANCIAL INFORMATION OF THE GROUP .....</b>	<b>II-1</b>
<b>APPENDIX III — GENERAL INFORMATION OF THE GROUP .....</b>	<b>III-1</b>
<b>APPENDIX IV — GENERAL INFORMATION OF THE OFFEROR .....</b>	<b>IV-1</b>
<b>ACCOMPANYING DOCUMENT — FORM OF ACCEPTANCE</b>	

## EXPECTED TIMETABLE

*The timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company.*

**2024**

Despatch date of this Composite Document and the accompanying Form of Acceptance and commencement date of the Offer ( <i>Note 1</i> ) .....	Tuesday, 5 November
Latest time and date for acceptance of the Offer ( <i>Notes 2 and 3</i> ) .....	4:00 p.m. on Tuesday, 26 November
Closing Date ( <i>Notes 2 and 3</i> ) .....	Tuesday, 26 November
Announcement of the results of the Offer, to be posted on the website of the Stock Exchange ( <i>Note 2</i> ).....	no later than 7:00 p.m. on Tuesday, 26 November
Latest date for posting of remittances in respect of valid acceptances received under the Offer ( <i>Note 4</i> ) .....	Thursday, 5 December

*Notes:*

- (1) The Offer, which is unconditional in all respect, is made on the date of posting of this Composite Document, and is capable of acceptance on and from that date until 4:00 p.m. on the Closing Date.
- (2) In accordance with the Takeovers Code, the Offer must remain open for acceptance for at least 21 days after the date of this Composite Document. The latest time and date for acceptance will be at 4:00 p.m. on Tuesday, 26 November 2024 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror and the Company will jointly issue an announcement through the websites of the Stock Exchange and the Company no later than 7:00 p.m. on Tuesday, 26 November 2024 stating the results of the Offer and whether the Offer has been extended, revised or expired. In the event that the Offeror decides to extend the Offer, and the announcement regarding the extension of the Offer does not specify the next closing date, at least 14 days' notice by way of an announcement will be given before the Offer is closed to those Independent Shareholders who have not accepted the Offer.
- (3) Beneficial owners of the Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (set out in Appendix I to this Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.
- (4) Remittances in respect of the cash consideration (after deducting the seller's Hong Kong ad valorem stamp duty) payable for the Offer Shares tendered under the Offer will be despatched to the Independent Shareholders accepting the Offer by ordinary post at their own risk as soon as possible, but in any event no later than seven (7) Business Days after the date of receipt by the Registrar of all relevant documents (receipt of which renders such acceptance complete and valid), in accordance with the Takeovers Code. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code. Please refer to the section headed "5. Right of Withdrawal" in Appendix I to this Composite Document for further information on the circumstances where acceptances may be withdrawn.

<b>EXPECTED TIMETABLE</b>
---------------------------

(5) If any severe weather condition is in force in Hong Kong:

- (a) at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Offer and the latest date for despatch of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer will remain at 4:00 p.m. on the same Business Day and the latest date for despatch of remittances will remain on the same Business Day; or
- (b) at any local time at or after 12:00 noon on the latest date for acceptance of the Offer and the latest date for despatch of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer will be rescheduled to 4:00 p.m. on the next Business Day and the latest date for despatch of remittances will be rescheduled to the next Business Day which does not have any of those warnings in force at 12:00 noon and/or thereafter (or another Business Day thereafter that does not have any severe weather condition at 12:00 noon or thereafter).

For the purpose of this Composite Document, “severe weather” refers to the scenario where Typhoon Signal No. 8 or above, a Black Rainstorm Warning (as issued by the Hong Kong Observatory), or the “Extreme Conditions” warning (as announced by the Hong Kong Government) is in force in Hong Kong.

Save as mentioned above, if the latest time for acceptance of the Offer and the posting of remittances do not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will notify the Independent Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

**All references to dates and times contained in this Composite Document and the accompanying Form of Acceptance refer to Hong Kong dates and times.**

#### **NOTICE TO OVERSEAS SHAREHOLDERS**

The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws and regulations of the relevant jurisdictions. Overseas Shareholders who are residents, citizens or nationals of jurisdictions outside Hong Kong should keep themselves informed about and observe, at their own responsibility, any applicable legal and regulatory requirements. It is the responsibility of any such person who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant overseas jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities or legal and regulatory requirements and the payment of any transfer or other taxes due by such accepting Overseas Shareholders in respect of such overseas jurisdiction. The Offeror, parties acting in concert with the Offeror, the Vendor, the Vendor Guarantor, the Company, Astrum Capital, Akron, the Independent Financial Adviser, the Registrar, their respective ultimate beneficial owners, directors, officers, agents and associates and any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by such person for any taxes as such person may be required to pay. Please see the paragraph headed “Overseas Shareholders” in the “Letter from Astrum Capital” in this Composite Document.



## DEFINITIONS

*In this Composite Document, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Acquisition”	the purchase of the Sale Shares by the Offeror from the Vendor in accordance with the terms of the Share Purchase Agreement
“acting in concert”	has the meaning ascribed to it under the Takeovers Code and “concert parties” shall be construed accordingly
“Actionable Corporate Communication”	any corporate communication that seeks instructions from the Company’s securities holders on how they wish to exercise their rights or make an election as the Company’s securities holder
“Akron”	Akron Corporate Finance Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, the financial adviser to the Offeror in relation to the Offer
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Astrum Capital”	Astrum Capital Management Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, the agent making the Offer on behalf of the Offeror
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date”	Tuesday, 26 November 2024, being the closing date of the Offer, or if the Offer is extended, any subsequent closing date as may be determined by the Offeror and jointly announced by the Offeror and the Company, with the consent of the Executive, in accordance with the Takeovers Code

## DEFINITIONS

“Company”	EDICO Holdings Limited (鉅京控股有限公司*), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM (Stock Code: 8450)
“Completion”	completion of the Acquisition pursuant to the Share Purchase Agreement
“Composite Document”	this composite offer and response document jointly issued by the Offeror and the Company to the Shareholders in connection with the Offer in accordance with the Takeovers Code containing, among other things, details of the Offer (accompanied by the Form of Acceptance) and the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the amount of HK\$33,600,000, being the cash consideration paid by the Offeror to the Vendor for the Acquisition
“controlling shareholder”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Form of Acceptance”	the form of acceptance and transfer of the Offer Shares in respect of the Offer accompanying this Composite Document
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

## DEFINITIONS

“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Li Wai Ming, Mr. Wan Chun Wai Andrew and Ms. Chan Chiu Yee Natalie, established by the Company to advise the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer
“Independent Financial Adviser” or “Mesis Capital”	Mesis Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer and in particular as to whether the Offer is fair and reasonable and as to the acceptance of the Offer
“Independent Shareholder(s)”	holder(s) of Share(s), other than the Offeror and parties acting in concert with it
“Joint Announcement”	the announcement dated 15 October 2024 jointly issued by the Offeror and the Company in relation to, among others, the Acquisition and the Offer
“Last Trading Day”	7 October 2024, being the last trading day of the Shares immediately prior to the halt in trading in the Shares on the Stock Exchange pending the release of the Joint Announcement
“Latest Practicable Date”	1 November 2024, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
“Mr. Lui”	Mr. Lui Yu Kin (呂宇健先生), the sole director and the sole shareholder of the Offeror
“Ms. Yuen”	Ms. Yuen Sin Yee Claudia, a substantial Shareholder holding the Non-accepting Shares as at the Latest Practicable Date
“Non-accepting Irrevocable Undertaking”	the irrevocable undertaking dated 7 October 2024 given by Ms. Yuen in favor of the Offeror, further details of which are set out in the section headed “The Offer — The Non-accepting Irrevocable Undertaking” in the “Letter from Astrum Capital” of this Composite Document

## DEFINITIONS

“Non-accepting Shares”	192,200,000 Shares, representing approximately 19.2% of the total issued share capital of the Company as at the Latest Practicable Date, held by Ms. Yuen and being the subject under the Non-accepting Irrevocable Undertaking
“Offer”	the mandatory unconditional cash offer made by Astrum Capital for and on behalf of the Offeror to acquire all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it on the terms and conditions set out in this Composite Document and in accordance with the Takeovers Code
“Offer Period”	has the meaning ascribed to it under the Takeovers Code which commences on 15 October 2024 (being the date of the Joint Announcement) and ends on the Closing Date, or such other date to which the Offeror may decide to extend or revise the Offer in accordance with the Takeovers Code
“Offer Price”	the cash amount of HK\$0.06 payable by the Offeror for each Offer Share
“Offer Shares”	440,000,000 Shares (including the Non-accepting Shares), being all the issued Shares other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it
“Offeror”	Jantix Management Limited, a company incorporated in Hong Kong with limited liability and beneficially and wholly-owned by Mr. Lui, which is the purchaser under the Share Purchase Agreement
“Overseas Shareholders”	Independent Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“PRC”	the People’s Republic of China, which for the purpose of this Composite Document, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Registrar”	Union Registrars Limited, the Hong Kong branch share registrar and transfer office of the Company at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong

## DEFINITIONS

“Relevant Period”	the period commencing on 15 April 2024, being the date falling six months before the Offer Period, up to and including the Latest Practicable Date
“Sale Shares”	the 560,000,000 Shares acquired by the Offeror from the Vendor pursuant to the terms of the Share Purchase Agreement, representing 56.0% of the total issued share capital of the Company as at the Latest Practicable Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of par value of HK\$0.01 each in the share capital of the Company
“Share Purchase Agreement”	the sale and purchase agreement dated 8 October 2024 entered into among the Vendor, the Vendor Guarantor and the Offeror in relation to the sale and purchase of the Sale Shares
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Takeovers Code
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vendor”	Achiever Choice Limited, a company incorporated in the BVI with limited liability, which is beneficially and wholly-owned by Mr. Chan
“Vendor Guarantor” or “Mr. Chan”	Mr. Chan Tsang Tieh, an executive Director and the Chairman of the Board, who is the sole director and the sole shareholder of the Vendor as at the Latest Practicable Date
“%”	per cent.

\* For identification purpose only

## **DEFINITIONS**

Unless the context otherwise requires, all references in this Composite Document to:

- (a) times and dates are references to Hong Kong times and dates, except as otherwise specified;
- (b) pronouns in masculine, feminine or neutral genders shall be construed to state and include any other gender; and
- (c) words, terms and titles in the singular form shall be construed to include the plural and vice versa.

# LETTER FROM ASTRUM CAPITAL



Room 2704, 27/F, Tower 1, Admiralty Centre  
8 Harcourt Road, Admiralty, Hong Kong

*To the Independent Shareholders*

5 November 2024

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
ASTRUM CAPITAL MANAGEMENT LIMITED  
FOR AND ON BEHALF OF JANTIX MANAGEMENT LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
EDICO HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED  
OR AGREED TO BE ACQUIRED BY JANTIX MANAGEMENT LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT)**

## INTRODUCTION

Reference is made to the Joint Announcement in relation to, among other things, the Acquisition and the Offer. Terms used in this letter shall have the same meanings as defined in the Composite Document unless the context otherwise requires.

As disclosed in the Joint Announcement, on 8 October 2024 (before trading hours), the Vendor, the Vendor Guarantor and the Offeror entered into the Share Purchase Agreement pursuant to which the Vendor agreed to sell, and the Offeror agreed to purchase, the Sale Shares (being 560,000,000 Shares, representing 56.0% of the total issued share capital of the Company as at the Latest Practicable Date) for a total cash Consideration of HK\$33,600,000 (being HK\$0.06 per Sale Share).

Immediately prior to Completion, the Offeror and parties acting in concert with it did not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately after Completion (which took place immediately after signing of the Share Purchase Agreement on 8 October 2024) and as at the Latest Practicable Date, the Offeror and parties acting in concert with it hold in aggregate 560,000,000 Shares, representing 56.0% of the total issued share capital of the Company.

The Offeror is therefore required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it. Astrum Capital is making the Offer for and on behalf of the Offeror.

## LETTER FROM ASTRUM CAPITAL

This letter sets out, among other things, the principal terms of the Offer, together with the information on the Offeror and the Offeror's intentions regarding the Group. Further details of the Offer and the procedures for acceptance and settlement of the Offer are also set out in Appendix I to this Composite Document and the accompanying Form of Acceptance. The Independent Shareholders are strongly advised to consider carefully the information contained in the "Letter from the Board", the "Letter from the Independent Board Committee" to the Independent Shareholders, the "Letter from the Independent Financial Adviser" to the Independent Board Committee and the Independent Shareholders and the appendices as set out in this Composite Document and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offer.

### THE OFFER

#### Principal terms of the Offer

We, Astrum Capital, are making the Offer for and on behalf of the Offeror to acquire the Offer Shares on the following basis:

#### The Offer

**For each Offer Share . . . . . HK\$0.06 in cash**

The Offer Price of HK\$0.06 per Offer Share is the same as the price of HK\$0.06 per Sale Share paid by the Offeror under the Share Purchase Agreement.

As at the Latest Practicable Date, there are 1,000,000,000 Shares in issue and the Company does not have any outstanding options, warrants or derivatives or securities convertible or exchangeable into Shares.

The Offer is unconditional in all respects and extended to all Independent Shareholders in accordance with the Takeovers Code.

Under the terms of the Offer, the Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrance and together with all rights and benefits attached thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of this Composite Document.

The procedures for acceptance and settlement together with further details of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.



## LETTER FROM ASTRUM CAPITAL

### Comparison of value

The Offer Price of HK\$0.06 per Offer Share represents:

- (i) a premium of approximately 39.53% over the closing price of HK\$0.0430 per Share as quoted on the Stock Exchange on 7 October 2024, being the Last Trading Day;
- (ii) a premium of approximately 35.14% over the average closing price of HK\$0.0444 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a premium of approximately 26.05% over the average closing price of HK\$0.0476 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 24.74% over the average closing price of HK\$0.0481 per Share as quoted on the Stock Exchange for the thirty (30) consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a discount of approximately 45.45% to the closing price of HK\$0.110 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (vi) a premium of approximately 4.35% over the audited consolidated net assets value of the Company per Share of approximately HK\$0.0575 as at 30 September 2023 (based on a total of 1,000,000,000 Shares in issue as at the Latest Practicable Date and the audited consolidated net assets value of the Company of HK\$57,457,000 as at 30 September 2023); and
- (vii) a premium of approximately 11.32% over the unaudited consolidated net assets value of the Company per Share of approximately HK\$0.0539 as at 31 March 2024 (based on a total of 1,000,000,000 Shares in issue as at the Latest Practicable Date and the unaudited consolidated net assets value of the Company of HK\$53,901,000 as at 31 March 2024).

### Highest and lowest Share prices

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.128 per Share on 28 October 2024 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.042 per Share on 25 April 2024, 26 April 2024, 30 April 2024, 2 May 2024, 3 May 2024, 6 May 2024 and 4 October 2024, respectively.

## LETTER FROM ASTRUM CAPITAL

### **Total consideration for the Offer Shares**

As at the Latest Practicable Date, there are 1,000,000,000 Shares in issue and the Company has no other outstanding Shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other relevant securities in the Company (as defined in Note 4 to Rule 22 of the Takeovers Code).

Assuming that there is no change in the issued share capital of the Company and based on the Offer Price of HK\$0.06 per Offer Share, the total issued share capital of the Company is valued at HK\$60,000,000. As the Offeror and parties acting in concert with it hold in aggregate 560,000,000 Shares as at the Latest Practicable Date, 440,000,000 Shares (including the Non-accepting Shares) are subject to the Offer. Based on a total of 440,000,000 Offer Shares and the Offer Price of HK\$0.06 per Offer Share, the maximum amount of cash payable by the Offeror in respect of the consideration payable upon full acceptance of the Offer is HK\$26,400,000.

### **The Non-accepting Irrevocable Undertaking**

As at the Latest Practicable Date, Ms. Yuen is interested in a total of 192,200,000 Non-accepting Shares, representing approximately 19.2% of the total issued share capital of the Company.

On 7 October 2024, the Offeror received the Non-accepting Irrevocable Undertaking from Ms. Yuen, pursuant to which Ms. Yuen has irrevocably and unconditionally undertaken to the Offeror, *inter alia*, that she:

- (1) will not or will not agree to, whether directly or indirectly, transfer, sell, charge, pledge or grant any option over or otherwise dispose of or create any encumbrances in respect of any of the Non-accepting Shares or any part thereof or any interest in the Non-accepting Shares or any part thereof prior to the earlier of the closing or lapse of the Offer;
- (2) will not tender the Non-accepting Shares for acceptance under the Offer, whether it comprises a higher offer or not and irrespective of the means by which it is to be implemented; and
- (3) will not, and will procure any party acting in concert with her not to, acquire any Shares, options, warrants, convertible securities, derivatives in respect of securities of the Company or other rights to subscribe for, purchase or otherwise acquire any securities of the Company prior to the earlier of the closing or lapse of the Offer.

Given that the Offer is unconditional in all respects, the Non-accepting Irrevocable Undertaking will take effect from the date thereof until the closing of the Offer.

## LETTER FROM ASTRUM CAPITAL

### **Confirmation of financial resources**

The maximum amount of cash payable by the Offeror in respect of the consideration payable upon full acceptance of the Offer is HK\$26,400,000, assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to the close of the Offer.

Taking into account the Non-accepting Irrevocable Undertaking, the Offeror anticipates that the Offer made in respect of the 192,200,000 Non-accepting Shares will not be accepted by Ms. Yuen. In this regard, based on a total of 247,800,000 Shares which will be subject to the Offer (excluding the Non-accepting Shares) and the Offer Price of HK\$0.06 per Offer Share, the Offeror anticipates that the total consideration payable to accepting Independent Shareholders under the Offer would be HK\$14,868,000 in the event that the Offer is accepted in full by the Independent Shareholders except for Ms. Yuen. The Offeror intends to satisfy the consideration payable under the Offer with its internal resources.

Akron, as the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the amount of funds required upon full acceptance of the Offer.

### **Effect of accepting the Offer**

By accepting the Offer, the Independent Shareholders will be deemed to warrant that all Offer Shares to be sold by such person under the Offer are fully paid and free from all encumbrances and together with all rights and benefits attaching thereto as at the date of this Composite Document or subsequently becoming attached to them, including but not limited to the right to receive in full all dividends, distributions and any return of capital, if any, which may be made or declared or agreed to be made or declared, and the record date of which falls on or after the date on which the Offer is made, being the date of despatch of this Composite Document. The Company confirmed that, as at the Latest Practicable Date, (i) it had not declared any dividend which had not yet been paid; and (ii) it does not have any intention to declare or pay any future dividend or make other distributions prior to and including the Closing Date.

The Offer is unconditional in all respects and will remain open for acceptance from the date of this Composite Document until 4:00 p.m. on the Closing Date. Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code, details of which are set out in the section headed “5. Right of Withdrawal” in Appendix I to this Composite Document.

### **Payment**

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event no later than seven (7) Business Days after the date of receipt by the Registrar of a duly completed acceptance of the Offer. Relevant documents evidencing title of the Offer Shares must be received by or on behalf of the Offeror (or its agent) to render such acceptance of the Offer

## LETTER FROM ASTRUM CAPITAL

complete and valid. No fractions of a cent will be payable and the amount of cash consideration payable to an Independent Shareholder who accepts the Offer will be rounded up to the nearest cent.

### **Hong Kong Stamp duty**

Seller's Hong Kong ad valorem stamp duty at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable by the Offeror to the relevant Independent Shareholders accepting the Offer. The Offeror will arrange for payment of the sellers' Hong Kong ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

### **Overseas Shareholders**

As the Offer to persons not being resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, the Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the sole responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes due from the accepting Overseas Shareholders in respect of such jurisdictions).

Any acceptance of the Offer by such Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the applicable local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

### **Taxation advice**

The Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Vendor, the Vendor Guarantor, the Company, Astrum Capital, Akron, the Independent Financial Adviser, the Registrar nor their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

## LETTER FROM ASTRUM CAPITAL

### INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands with limited liability and its issued Shares have been listed on GEM since 2 February 2018.

The Group principally engages in the business of providing 24-hour integrated printing services for customers mainly in the financial and capital markets in Hong Kong.

The financial information of the Group is set out in Appendix II to this Composite Document. Your attention is also drawn to the further information in relation to the Group as set out in Appendix III to this Composite Document.

### INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. Mr. Lui is the sole ultimate beneficial owner and the sole director of the Offeror. Mr. Lui is a seasoned investor who has extensive experience in property and securities investment. Mr. Lui has broad exposure in the Hong Kong capital markets with direct investment in listed companies across various industries covering education, construction, media and entertainment.

### INTENTIONS OF THE OFFEROR REGARDING THE GROUP

As at the Latest Practicable Date, the Offeror is the controlling Shareholder and is interested in 56.0% of the total issued share capital of the Company.

The Group is principally engaged in the business of providing 24-hour integrated printing services for customers mainly in the financial and capital markets in Hong Kong. The Offeror intends to continue the employment of the existing management and employees of the Group (except for a proposed change to the members of the Board at a time no earlier than that permitted under the GEM Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate). The Offeror also intends to continue the existing principal business of the Group immediately following Completion. However, the Offeror will conduct a detailed review on the operation and business activities of the Group to formulate a long-term business strategy for the Group. Subject to the results of such review, the Offeror may explore other business and/or seek to expand the principal business of the Group.

Save for the Offeror's intention regarding the Group as set out above, (i) the Offeror has no intention to make material changes to the employment of the employees of the Group (except for a proposed change to the members of the Board at a time no earlier than that permitted under the GEM Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate); (ii) the Offeror has no intention to dispose of or redeploy the assets of the Group other than those in its ordinary course of business; and (iii) as at the Latest Practicable Date, no

## LETTER FROM ASTRUM CAPITAL

investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understandings or negotiation in relation to the injection of any assets or business into the Group.

The Offeror intends to nominate new director(s) to the Board with effect from a date which is no earlier than such date as permitted under the Takeovers Code or such later date as the Offeror considers to be appropriate. As at the Latest Practicable Date, the Offeror has not reached any decision as to the Board composition following the close of the Offer, in particular, the Offeror has not identified any candidate to be nominated as a new Director nor any existing Director to be replaced. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and/or the GEM Listing Rules and further announcement(s) will be made as and when appropriate.

### **PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Offeror intends to maintain the listing of the Shares on GEM following the close of the Offer.

According to the shareholding structure of the Company as at the Latest Practicable Date as set out in the section headed “Shareholding Structure of the Company” in the “Letter from the Board”, there was a shortfall in the Company’s public float of approximately 0.2% given that only approximately 24.8% of the Shares were held in the hand of the public Shareholders. For further details of the aforesaid shortfall, please refer to the section headed “Public Float and Maintaining the Listing Status of the Company” in the “Letter from the Board”.

The Offeror will, together with the Company, use reasonable endeavours to maintain the listing status of the Shares on GEM and procure that not less than 25% of the entire issued share capital in the Company be held by the public in compliance with the GEM Listing Rules after the close of the Offer.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) that there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares. Therefore, it should be noted that, upon close of the Offer, there will be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares.

The sole director of the Offeror has undertaken, and the new Director(s) (if any) proposed by the Offeror will jointly and severally undertake, to the Stock Exchange to take appropriate steps following the close of the Offer to ensure that such number of Shares as may be required by the Stock Exchange are held by the public within the prescribed time frame. The Offeror intends to

## **LETTER FROM ASTRUM CAPITAL**

engage a placing agent and restore the minimum public float of the Shares by way of placement of existing Shares to independent third parties. The Offeror will ascertain the number of existing Shares to be placed by the placing agent, depending on the outcome of the Offer and to the extent the minimum public float is restored, on the Closing Date. It is expected that the placement of existing Shares will complete and the public float of the Company will be restored by the later of (i) the end of December 2024; or (ii) 30 days after closing of the Offer. Further announcement(s) will be made by the Company regarding the restoration of public float as and when appropriate.

### **ACCEPTANCE AND SETTLEMENT OF THE OFFER**

Your attention is drawn to the details regarding the procedures for acceptance and settlement of the Offer as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

### **COMPULSORY ACQUISITION**

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any outstanding Offer Shares not acquired under the Offer after the close of the Offer.

### **GENERAL**

To ensure equality of treatment of all Independent Shareholders, those Independent Shareholders who hold the Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Shares, whose investments are registered in nominee names, to accept the Offer, it is essential that they provide instructions to their nominees of their intentions with regard to the Offer.

The printed form of the Composite Document will only be posted to the Independent Shareholders upon request. The Company will send the Form of Acceptance, which is an Actionable Corporate Communication, to the Independent Shareholders in printed form, if the Company does not have their functional email address or if the Independent Shareholders requested. All documents and remittances to be sent to the Independent Shareholders will be sent by ordinary post at their own risk. These documents and remittances will be sent to them at their respective addresses as they appear in the register of members or, in case of joint holders, to the Independent Shareholder whose name appears first in the said register of members. None of the Offeror, parties acting in concert with the Offeror, the Vendor, the Vendor Guarantor, the Company, Astrum Capital, Akron, the Independent Financial Adviser, the Registrar nor their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof.

<b>LETTER FROM ASTRUM CAPITAL</b>
-----------------------------------

**ADDITIONAL INFORMATION**

Your attention is drawn to the additional information regarding the Offer set out in the appendices to this Composite Document and the accompanying Form of Acceptance, which form part of this Composite Document. You are also reminded to consider carefully the information contained in the “Letter from the Board”, the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Adviser” contained in this Composite Document and to consult your professional advisers as you see fit, before deciding whether or not to accept the Offer.

Yours faithfully,  
For and on behalf of  
**Astrum Capital Management Limited**  
**PAN Chik**  
*Director*



LETTER FROM THE BOARD

**EDICO Holdings Limited**

**鉅京控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8450)**

*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

*Registered office in the Cayman Islands:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

*Head Office and principal place of  
business in Hong Kong:*

8/F., Wheelock House

20 Pedder Street

Central

Hong Kong

5 November 2024

*To the Independent Shareholders:*

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
ASTRUM CAPITAL MANAGEMENT LIMITED  
FOR AND ON BEHALF OF JANTIX MANAGEMENT LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
EDICO HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED  
OR AGREED TO BE ACQUIRED BY JANTIX MANAGEMENT LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT)**

**INTRODUCTION**

Reference is made to the Joint Announcement in relation to, among other things, the Acquisition and the Offer. Terms used in this letter shall have the same meanings as defined in the Composite Document unless the context otherwise requires.

## LETTER FROM THE BOARD

As disclosed in the Joint Announcement, the Board was notified by the Vendor that on 8 October 2024 (before trading hours), the Vendor, the Vendor Guarantor and the Offeror entered into the Share Purchase Agreement pursuant to which the Vendor agreed to sell, and the Offeror agreed to purchase, the Sale Shares (being 560,000,000 Shares, representing 56.0% of the total issued share capital of the Company as at the Latest Practicable Date) for a total cash Consideration of HK\$33,600,000 (being HK\$0.06 per Sale Share).

Immediately prior to Completion, the Offeror and parties acting in concert with it did not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately after Completion (which took place immediately after signing of the Share Purchase Agreement on 8 October 2024) and as at the Latest Practicable Date, the Offeror and parties acting in concert with it hold in aggregate 560,000,000 Shares, representing 56.0% of the total issued share capital of the Company.

The Offeror is therefore required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it. Astrum Capital is making the Offer for and on behalf of the Offeror.

As at the date of the Latest Practicable Date, there were 1,000,000,000 Shares in issue and the Company has no other outstanding Shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other relevant securities in the Company (as defined in Note 4 to Rule 22 of the Takeovers Code), and has not entered into any agreement for the issue of such Shares, options, warrants, derivatives or other relevant securities that are convertible or exchangeable into Shares or other relevant securities in the Company.

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things, (i) further information relating to the Group, the Offeror and the Offer; (ii) the letter from Astrum Capital containing details of the Offer; (iii) the letter from the Independent Board Committee containing its recommendations to the Independent Shareholders in relation to the Offer; and (iv) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders on whether the Offer is fair and reasonable so far as the Independent Shareholders are concerned and on acceptance of the Offer.

## LETTER FROM THE BOARD

### THE OFFER

As disclosed in the section headed “Letter from Astrum Capital” in this Composite Document, Astrum Capital is making the Offer for and on behalf of the Offeror to acquire the Offer Shares on the following basis:

**For each Offer Share . . . . . HK\$0.06 in cash**

The Offer Price of HK\$0.06 per Offer Share is the same as the price of HK\$0.06 per Sale Share paid by the Offeror under the Share Purchase Agreement.

The Consideration was paid by the Offeror to the Vendor in cash with its internal resources.

The Offer is unconditional in all respects and extended to the Independent Shareholders in accordance with the Takeovers Code.

Under the terms of the Offer, the Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrances and together with all rights and benefits attached thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of this Composite Document.

The Company confirms that, as at the Latest Practicable Date, (i) it did not declare any dividend which is not yet paid; and (ii) it did not have any intention to declare or pay any future dividend or make other distributions during the Offer Period.

### Further details of the Offer

Further details of the Offer are set out in the section headed “Letter from Astrum Capital” in this Composite Document and the additional information contained in the appendices to this Composite Document and the accompanying Form of Acceptance.

### INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands with limited liability and its issued Shares have been listed on GEM of the Stock Exchange since 2 February 2018.

The Group principally engages in the business of providing 24-hour integrated printing services for customers mainly in the financial and capital markets in Hong Kong.

Further details of the Group are set out in Appendix II “Financial Information of the Group” and Appendix III “General Information of the Group” to this Composite Document.

## LETTER FROM THE BOARD

### FINANCIAL INFORMATION OF THE GROUP

Set out below is a summary of certain audited/unaudited consolidated financial information of the Group for (i) each of the two financial years ended 30 September 2022 and 2023 (as extracted from the annual report of the Company for the year ended 30 September 2023); and (ii) the six months ended 31 March 2024 (as extracted from the interim report of the Company for the six months ended 31 March 2024):

	<b>For the six months ended 31 March 2024 HK\$'000 (unaudited)</b>	<b>For the year ended 30 September 2023 HK\$'000 (audited)</b>	<b>For the year ended 30 September 2022 HK\$'000 (audited)</b>
Revenue	14,892	46,499	45,395
Loss before taxation	(3,556)	(7,721)	(5,032)
Loss and total comprehensive expense for the year/period attributable to owners of the Company	(3,556)	(7,680)	(2,781)
	<b>As at 31 March 2024 HK\$'000 (unaudited)</b>	<b>As at 30 September 2023 HK\$'000 (audited)</b>	<b>As at 30 September 2022 HK\$'000 (audited)</b>
Total assets	76,662	90,054	105,777
Total liabilities	22,761	32,597	40,640
Net assets	53,901	57,457	65,137

### SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the authorized share capital of the Company was HK\$50,000,000 divided into 5,000,000,000 ordinary shares, and there were 1,000,000,000 Shares in issue. Save as aforesaid, the Company has no other outstanding Shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other relevant securities in the Company (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date.

## LETTER FROM THE BOARD

The shareholding structure of the Company (i) immediately prior to Completion; and (ii) immediately upon Completion and as at the Latest Practicable Date are as follows:

	<b>(i) Immediately prior to Completion</b>		<b>(ii) Immediately upon Completion and as at the Latest Practicable Date</b>	
	<i>Number of Shares</i>	<i>Appr. % of issued Shares</i>	<i>Number of Shares</i>	<i>Appr. % of issued Shares</i>
The Offeror and parties acting in concert with it	—	—	560,000,000	56.0
The Vendor	560,000,000	56.0	—	—
Ms. Yuen	192,200,000	19.2	192,200,000	19.2
Public Shareholders	<u>247,800,000</u>	<u>24.8</u>	<u>247,800,000</u>	<u>24.8</u>
<b>Total</b>	<b><u>1,000,000,000</u></b>	<b><u>100.00</u></b>	<b><u>1,000,000,000</u></b>	<b><u>100.00</u></b>

### INFORMATION ON THE OFFEROR

Your attention is drawn to the paragraphs headed “Information on the Offeror” in the “Letter from Astrum Capital” and Appendix IV “General Information of the Offeror” to this Composite Document for information on the Offeror.

### INTENTIONS OF THE OFFEROR REGARDING THE GROUP

Your attention is drawn to the section headed “Letter from Astrum Capital — Intentions of the Offeror regarding the Group” in this Composite Document.

The Board is aware of the Offeror’s intentions in relation to the Group and its employees as set out in the section headed “Letter from Astrum Capital — Intentions of the Offeror regarding the Group” in this Composite Document. The Board is willing to render reasonable cooperation with the Offeror and continue to act in the best interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Board comprises two executive Directors, namely Mr. Chan Tsang Tieh and Mrs. Donati Chan Yi Mei Amy, and three independent non-executive Directors, namely Mr. Li Wai Ming, Mr. Wan Chun Wai Andrew and Ms. Chan Chiu Yee Natalie.

The Board is aware that as at the Latest Practicable Date, the Offeror intended to nominate new director(s) to the Board with effect from a date which is no earlier than such date as permitted under the Takeovers Code or such later date as the Offeror considers to be appropriate. As at the

## LETTER FROM THE BOARD

Latest Practicable Date, none of the existing Directors has intention to resign from the Board. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and/or the GEM Listing Rules and further announcement(s) will be made as and when appropriate.

### PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Board is aware that the Offeror intends to maintain the listing of the Shares on GEM of the Stock Exchange following the close of the Offer and that the Offeror does not intend to avail itself of any powers of compulsory acquisition of any outstanding Offer Shares after the close of the Offer.

According to the shareholding structure of the Company as at the Latest Practicable Date as set out in the section headed “Shareholding Structure of the Company”, there was a shortfall in the Company’s public float of approximately 0.2% given that only approximately 24.8% of the Shares were held in the hand of the Public Shareholders (the “**Shortfall**”). Based on the information available to the Company, the Shortfall was caused by the completion of sale and purchase of 190,000,000 Shares between 2 Shareholders in around November 2021, where the percentage of interest in the Company of the purchaser Shareholder, Ms. Yuen, had increased from 0.22% to 19.20%. As a result of the said acquisition, Ms. Yuen became a substantial shareholder of the Company and, accordingly, a core connected person of the Company, and Ms. Yuen was no longer recognised as a member of the public pursuant to Rule 11.23 of the GEM Listing Rules.

The Offeror will, together with the Company, use reasonable endeavours to maintain the listing status of the Shares on GEM of the Stock Exchange and procure that not less than 25% of the entire issued share capital in the Company be held by the public in compliance with the GEM Listing Rules after the close of the Offer. The Board is aware that it is the intention of the Offeror to engage a placing agent and restore the minimum public float of Shares by way of placement of existing Shares to independent third parties. The Board is also aware that the Offeror will ascertain the number of existing Shares to be placed by the placing agent, depending on the outcome of the Offer and to the extent the minimum public float is restored, on the Closing Date. It is expected that the placement of existing Shares will complete and the public float of the Company will be restored by the later of (i) the end of December 2024; or (ii) 30 days after closing of the Offer.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) that there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares. Therefore, it should be noted that, upon close of the Offer, there will be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares.

## LETTER FROM THE BOARD

The Board is aware that the sole director of the Offeror has undertaken, and the new Director(s) (if any) proposed by the Offeror will jointly and severally undertake, to the Stock Exchange to take appropriate steps following the close of the Offer to ensure that such number of Shares as may be required by the Stock Exchange are held by the public within the prescribed time frame. Further announcement(s) will be made by the Company regarding the restoration of public float as and when appropriate.

In addition, in order to prevent similar incidents of having insufficient public float in the Shares as required under Rule 11.23 of the GEM Listing Rules from occurring in the future, the Company has taken/will take the following remedial actions and measures:

1. the management and the company secretary of the Company shall continue to oversee and monitor the effectiveness and efficiency of the Company's on-going compliance system and the relevant corporate governance measures;
2. conduct internal training session on compliance of the GEM Listing Rules, in particular in relation to public float requirements and definitions of public shareholders, to refresh and reinforce the understanding in the relevant concepts;
3. closely monitor the registers of the Company and the disclosure of interests made by the Shareholders on a regular basis to keep track of the public float of the Company; and
4. assign additional manpower to crosscheck public records and disclosures of the Company to avoid inadvertent oversights.

### INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Li Wai Ming, Mr. Wan Chun Wai Andrew and Ms. Chan Chiu Yee Natalie, has been established pursuant to Rules 2.1 and 2.8 of the Takeovers Code to advise the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

Messis Capital has been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

The full texts of the letter from the Independent Board Committee addressed to the Independent Shareholders and the letter from the Independent Financial Adviser addressed to the Independent Board Committee and the Independent Shareholders are set out in this Composite Document.

**You are advised to read both letters and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offer.**

## LETTER FROM THE BOARD

### RECOMMENDATION

Your attention is drawn to (i) the section headed “Letter from the Independent Board Committee” as set out on pages 28 to 29 of this Composite Document, which contains its advice and recommendations to the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer; and (ii) the section headed “Letter from the Independent Financial Adviser” as set out on pages 30 to 42 of this Composite Document, which contains its advice and recommendations to the Independent Board Committee and the Independent Shareholders in respect of the Offer and, in particular as to whether the Offer is fair and reasonable and as to the acceptance thereof, and the principal factors considered by it in arriving at its advice and recommendation. In particular, the Board is aware that:

- (i) the Independent Financial Adviser, having taken into consideration principal factors including (1) the persistent loss making position of the Group and uncertain recovery of the higher margin listing related services segment which is crucial to the profitability of financial printing business; (2) the current headwind and slowdown in Hong Kong IPO market that casts uncertainty over the prospect and business outlook of the financial printing industry; (3) the Offer Price is close to the Highest Share Price and represents a premium of approximately 20% to the average share price for the Review Period; (4) the current market price of the Shares as at the Latest Practicable Date which is higher than the Offer Price may be resulted from short term stimulation of the Offer and may not be sustainable; (5) the Offer provides an opportunity for the Independent Shareholders to realise their investments in the Company at a fixed price amidst low trading liquidity of the Shares; and (6) the valuation metrics of P/S and P/B represented by the Offer Price are better than that of the Comparable Companies, considered the Offer to be fair and reasonable and recommended the Independent Board Committee to advise the Independent Shareholders to accept the Offer;
- (ii) the Independent Financial Adviser has pointed out that as the Shares has been trading above the Offer Price as at the Latest Practicable Date, the Independent Shareholders who would like to realise their investments in the Shares are reminded to closely monitor the market price and liquidity of the Shares during the Offer Period and may, instead of accepting the Offer, consider selling their Shares in the open market should such sale proceeds, net of all transaction costs, exceed the amount receivable under the Offer, while Independent Shareholders who believe that they will not be able to sell the Shares in the market at a price higher than the Offer Price because of their size of the shareholding may consider the Offer as an alternative exit of their investments; and



## LETTER FROM THE BOARD

- (iii) the Independent Board Committee, having taken into account the terms of the Offer and the independent advice from the Independent Financial Adviser, as well as the principal factors and reasons considered in arriving at the Independent Financial Adviser's recommendation, concurred with the view of the Independent Financial Adviser and considered that the Offer is fair and reasonable and recommended the Independent Shareholders to accept the Offer.

The Independent Shareholders are urged to read those letters carefully before taking any action in respect of the Offer.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Composite Document. You are also recommended to read carefully Appendix I to this Composite Document and the accompanying Form of Acceptance for further details in respect of the procedures for acceptance of the Offer.

In considering what action to take in connection with the Offer, you should consider your own tax positions, if any, and, in case of any doubt, consult your professional advisers.

Yours faithfully,  
For and on behalf of the Board of  
**EDICO Holdings Limited**  
**Chan Tsang Tieh**  
*Chairman and Executive Director*

\* *For identification purpose only*

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

*The following is the text of a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer prepared for the purpose of inclusion in this Composite Document.*

### **EDICO Holdings Limited**

**鉅京控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8450)**

5 November 2024

*To the Independent Shareholders:*

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
ASTRUM CAPITAL MANAGEMENT LIMITED  
FOR AND ON BEHALF OF JANTIX MANAGEMENT LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
EDICO HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED  
OR AGREED TO BE ACQUIRED BY JANTIX MANAGEMENT LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT)**

#### **INTRODUCTION**

We refer to the Composite Document dated 5 November 2024 of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as those defined in the Composite Document.

We have been appointed by the Board to form the Independent Board Committee to consider the Offer and to advise to you as to, in our opinion, whether or not the Offer is fair and reasonable so far as the Independent Shareholders are concerned, and to make recommendation as to acceptance of the Offer after taking into account the advice from the Independent Financial Adviser. We have declared that we are independent and have no direct or indirect interests in the Offer, and therefore are able to consider the Offer and to make recommendations to the Independent Shareholders.

Messis Capital Limited has been appointed with our approval as the Independent Financial Adviser to advise us and the Independent Shareholders in respect of the Offer, in particular, as to whether the Offer is, or is not, fair and reasonable, and as to the acceptance thereof. Your attention is drawn to the section headed “Letter from the Independent Financial Adviser” set out on pages 30 to 42 of the Composite Document which contains the details of the Independent Financial Adviser’s advice and the principal factors and reasons taken into consideration in arriving at its recommendation in respect of the Offer.

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We also wish to draw your attention to the section headed “Letter from Astrum Capital” set out on pages 9 to 18 of the Composite Document, the section headed “Letter from the Board” set out on pages 19 to 27 of the Composite Document and the additional information set out in the Composite Document, including the appendices to the Composite Document and the accompanying Form of Acceptance in respect of the terms of the Offer and acceptance and settlement procedures for the Offer.

### RECOMMENDATION

Having taken into account the terms of the Offer and the independent advice from the Independent Financial Adviser, as well as the principal factors and reasons considered in arriving at its recommendation, we concur with the view of the Independent Financial Adviser and consider that the Offer is fair and reasonable. As such, we recommend the Independent Shareholders to accept the Offer.

Notwithstanding our recommendation, the Independent Shareholders are strongly advised that the decision to realise or to hold your investment is subject to individual circumstances and investment objectives. If in doubt, the Independent Shareholders should consult your own professional advisers for professional advice. Furthermore, the Independent Shareholders who wish to accept the Offer are recommended to read carefully the terms and procedures for acceptance of the Offer as detailed in the Composite Document and the accompanying Form of Acceptance.

Yours faithfully,

For and on behalf of the Independent Board Committee of  
**EDICO Holdings Limited**

**Li Wai Ming**  
*Independent non-executive  
Director*

**Wan Chun Wai Andrew**  
*Independent non-executive  
Director*

**Chan Chiu Yee Natalie**  
*Independent non-executive  
Director*

\* *For identification purpose only*

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

*The following is the full text of a letter of advice from Messis Capital Limited to the Independent Board Committee in respect of the Offer which has been prepared for the purpose of incorporation in the Composite Document.*

**MESSIS 大有融資**

5 November 2024

*To: The Independent Board Committee and the Independent Shareholders*

Dear Sirs,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
ASTRUM CAPITAL MANAGEMENT LIMITED  
FOR AND ON BEHALF OF JANTIX MANAGEMENT LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
EDICO HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED  
OR AGREED TO BE ACQUIRED BY JANTIX MANAGEMENT LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT)**

### INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer and as to the acceptance of the Offer. Details of the Offer are set out in the composite document of the Company dated 5 November 2024 (the “**Composite Document**”), of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

Jantix Management Limited and the Company jointly announced that on 8 October 2024 (before trading hours), the Vendor, the Vendor Guarantor and the Offeror entered into the Share Purchase Agreement pursuant to which the Vendor agreed to sell, and the Offeror agreed to purchase, the Sale Shares, being 560,000,000 Shares (representing 56.0% of the total issued share capital of the Company as at the Latest Practicable Date), for a total cash Consideration of HK\$33,600,000 (being HK\$0.06 per Sale Share).

Prior to Completion, the Offeror and parties acting in concert with it did not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Immediately following Completion, the Offeror and parties acting in concert with it hold in aggregate 560,000,000 Shares, representing 56.0% of the total issued share capital of the Company. The Offeror is therefore required under Rule 26.1 of the Takeovers Code to make the Offer for all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it.

### **The Offer**

Astrum Capital is making the Offer with the Offer Price of HK\$0.06 in cash for and on behalf of the Offeror. The Offer is unconditional in all respects when it is made. On 7 October 2024, the Offeror received the Non-accepting Irrevocable Undertaking from Ms. Yuen, who is interested in a total of 192,200,000 Non-accepting Shares, representing approximately 19.2% of the total issued share capital of the Company as at the Latest Practicable Date. Assuming that there is no change in the issued share capital of the Company and based on a total of 247,800,000 Shares which will be subject to the Offer (excluding the Non-accepting Shares) and the Offer Price of HK\$0.06 per Offer Share, the anticipated total consideration payable to accepting Independent Shareholders under the Offer would be HK\$14,868,000 in the event that the Offer is accepted in full by the Independent Shareholders except for Ms. Yuen.

For the principal terms of the Offer, together with the information of the Offeror and the Offeror's intention regarding the Group, please refer to the "Letter from Astrum Capital" contained in the Composite Document.

### **INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee comprising all the independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Li Wai Ming, Mr. Wan Chun Wai Andrew and Ms. Chan Chiu Yee Natalie, has been established pursuant to Rules 2.1 and 2.8 of the Takeovers Code to advise the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

We, Messis Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer. We are not associated or connected with the Company or the Offeror, their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them and, accordingly, are considered eligible to give independent advice on the Offer. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company or the Offeror, their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them. This letter contains our advice to the Independent Board Committee and the Independent Shareholders as to (i) whether the Offer is fair and reasonable; and (ii) whether the Offer is in the interests of the Independent Shareholders as a whole.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### BASIS OF OUR OPINION

In formulating our advice, we have relied solely on the statements, information, opinions and representations contained in the Composite Document and the information and representations provided to us by the Group and/or the Directors and/or the senior management of the Company (the “**Management**”). We have reviewed the published information on the Company, amongst others, (i) annual report for the year ended 30 September 2022 (the “**2022 Annual Report**”); (ii) annual report for the year ended 30 September 2023 (the “**2023 Annual Report**”); and (iii) interim report for the six months ended 31 March 2024 (the “**2024 Interim Report**”), and other information contained in the Composite Document. We have also reviewed the trading performance of the Shares on the Stock Exchange. We have assumed that all statements, information, opinions and representations contained or referred to in the Composite Document or otherwise provided or made or given by the Management, for which they are solely responsible, are true and accurate at the time when they were provided and continue to be so as at the Latest Practicable Date. We have no reason to doubt the truth and accuracy of the information provided to us or to believe that any material facts have been omitted or withheld. We have, however, not conducted any independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied to us. Should there be any subsequent material changes which occur during the period from the date of the Composite Document up to the date of closing of the Offer, we will notify the Independent Board Committee and the Independent Shareholders as soon as possible.

We have not considered the tax implications on the Independent Shareholders of their acceptances or non-acceptances of the Offer (as the case may be) since these are particular to their own individual circumstances. In particular, the Independent Shareholders who are resident outside Hong Kong or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax position with regard to the Offer and, if in any doubt, should consult their own professional advisers.

# LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

## PRINCIPAL FACTORS TAKEN INTO CONSIDERATION ON THE OFFER

In assessing the Offer and in giving our recommendations to the Independent Board Committee and the Independent Shareholders, we have taken into account the following principal factors and reasons:

### 1. Background and financial information of the Group

The Group is principally engaged in the provision of financial printing services in Hong Kong. Set out below is a summary of certain audited/unaudited consolidated financial information of the Group for (i) each of the three financial years ended 30 September 2021, 2022 and 2023 (as extracted from 2022 Annual Report and 2023 Annual Report); and (ii) each of the six months ended 31 March 2023 and 2024 (as extracted from the 2024 Interim Report):

#### *Financial performance of the Group*

	Year ended 30 September			Six months ended	
	2021	2022	2023	31 March 2023	2024
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	57,532	45,395	46,499	13,123	14,892
Gross profit	29,588	22,691	22,555	4,902	7,699
Gross profit margin	51.4%	50.0%	48.5%	37.4%	51.7%
Loss before tax	(1,809)	(5,032)	(7,721)	(7,506)	(3,556)
Loss for the year/period	(1,729)	(2,781)	(7,680)	(7,506)	(3,556)

#### *FY2021, FY2022 and FY2023*

As shown in the table above, the revenue of the Group decreased by approximately HK\$12.1 million or 21.1% from approximately HK\$57.5 million in FY2021 to approximately HK\$45.4 million in FY2022. With reference to the 2022 Annual Report, the decrease in revenue was mainly attributable to delays and terminations of projects in relation to listing documents, the contribution of which was halved in FY2022 and decreased by approximately HK\$7.2 million. As discussed with the Management, the handling of listing-related documents such as prospectus used to be the Company's mainstream of revenue, and gross profit margin of this category of service is generally higher. The sluggish capital market in Hong Kong and sharp decrease in listing related projects resulted in a decrease in overall gross profit margin from 51.4% in FY2021 to 50.0% in FY2022. Net loss for the year deteriorated and increased by approximately HK\$1.1 million or 60.8% from approximately HK\$1.7 million in FY2021 to approximately HK\$2.8 million in FY2022. The increase in net loss for the year was mainly because of the relatively inelastic operating costs such as office rental and salaries that cannot be lowered along with the decrease in revenue.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Revenue of the Group remained stable and slightly increased by approximately HK\$1.1 million or 2.42% from approximately HK\$45.4 million in FY2022 to approximately HK\$46.5 million in FY2023. The slight increase in revenue was mainly attributable to (i) increase in revenue generated from handling of periodical reporting documents; which was countered by (ii) decrease in revenue generated from handling of listing-related documents. Despite the slight improvement in revenue in FY2023, the further decrease in listing related projects during the year has resulted in further drop in overall gross profit margin from 50.0% in FY2022 to 48.5% in FY2023 and net loss for the year further deteriorated and increased by approximately HK\$4.9 million or 176.2% from approximately HK\$2.8 million in FY2022 to approximately HK\$7.7 million in FY2023. With reference to the 2023 Annual Report, the increase in net loss for the year was mainly attributable to increase of impairment losses on trade receivables and contract assets related to stage payments entitled to the Group for its performance over contract service period under expected credit loss model in FY2023 which was calculated based on days past due of trade receivables.

### *1H2023 and 1H2024*

Revenue of the Group increased by approximately HK\$1.8 million or 13.5% from approximately HK\$13.1 million in 1H2023 to approximately HK\$14.9 million in 1H2024. With reference to the 2024 Interim Report, the increase in revenue was mainly attributable to a significant increase in revenue generated from handling listing-related documents as a result of an increase in the number of new customers successfully listed on the Stock Exchange during the half year financial period. Capitalized on the recovery of higher margin listing related projects in 1H2024, the Group improved its overall gross profit margin from 37.4% in 1H2023 to 51.7% in 1H2024. With the increase in revenue and gross profit, net loss for the period also improved from approximately HK\$7.5 million in 1H2023 to approximately HK\$3.6 million in 1H2024.

The Group has been suffering from persistent net losses over the previous three financial years. Despite the improvement in financial performance in 1H2024 driven by completion of some listing related projects, the Company has yet to escape from loss marking position and the recovery of this higher margin listing related services remain to be seen. The Management considers that handling of listing-related documents which are directly connected with IPO deals and other fund raising exercises in Hong Kong capital market used to be a key driver to the growth and profitability of the Group. Revenue generated from services such as handling of periodical reporting documents, compliance documents and other marketing collaterals remains stable over time. As discussed in the 2023 Annual Report, the Management considered that the operating environment is challenging amid sluggish Hong Kong capital market. With significant drop in IPO deals and weak fund raising activities in secondary market, the financial printing services business loses steam and is under severe pressure.



# LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

## *Financial position of the Group*

	As at 30 September 2023 <i>(audited)</i> HK\$'000	As at 31 March 2024 <i>(unaudited)</i> HK\$'000
Non-current assets	12,682	8,273
Current assets	77,372	68,389
Non-current liabilities	2,737	460
Current liabilities	29,860	22,301
Net current assets	47,512	46,088
Net assets	57,457	53,901

As at 30 September 2023 and 31 March 2024, the total assets of the Group were approximately HK\$90.1 million and HK\$76.7 million, respectively. The financial printing business is an asset light business where the Group's assets mainly comprised fixed deposits and cash and cash equivalents. Total liabilities of the Group were approximately HK\$32.6 million and HK\$22.8 million as at 30 September 2023 and 31 March 2024 respectively which mainly comprised (i) advance payment from customers that give rise to contract liabilities of the Group; and (ii) lease liabilities arising from lease contracts for leased premises.

The Group's net assets remained stable at approximately HK\$57.5 million and HK\$53.9 million as at 30 September 2023 and 31 March 2024 respectively.

## **2. Industry overview and outlook of the Group**

To understand and assess key factors affecting the prospects and outlook of the Group, we have discussed with the Management and reviewed the percentage of revenue attributable to each category of documents since initial listing of the Company on the Stock Exchange in year 2018 as tabled below:

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Listing-related documents	50.1%	55.4%	32.7%	50.6%	24.7%	15.4%	10.7%
Periodical reporting documents	29.2%	27.1%	42.3%	30.6%	44.1%	51.8%	59.3%
Compliance documents	18.6%	15.0%	20.8%	16.6%	25.3%	28.1%	26.3%
Miscellaneous and marketing collaterals	2.1%	2.5%	4.2%	2.2%	5.9%	4.7%	3.7%
<b>Financial performance</b>							
<b>for the year</b>	Net profit	Net profit	Net loss	Net profit	Net loss	Net loss	Net loss

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As observed from the table above, we notice that the Group recorded net profits only when revenue generated from handling of listing-related documents accounted for a major part of total revenue (i.e. over 50% of the total revenue). As discussed with the Management, we are given to understand that listing-related projects such as IPO financial printing services could generally charge higher service fees and therefore could attain higher gross profit margins under a relatively inelastic cost structure of the printing business. Given that the provision of listing related financial printing services constitutes a key driver to profitability of the Group, we concur with the view of the Directors that headwind and slowdown in Hong Kong IPO market would have an adverse impact on the prospect and business outlook of the Group.

With reference to the 2023 Annual Report, the Management considers that the operating environment will continue to face multiple challenges and the general sentiment of the Hong Kong capital market has yet to recover and the Group is not expecting the market to rebound quickly. We have conducted research on the publicly available statistics released by the Stock Exchange and set forth below (i) the total number of listed companies; (ii) the number of newly listed companies; and (iii) the number of new listing applications accepted, in each of the past 5 years:

	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
Number of listed companies	2,449	2,538	2,572	2,597	2,609
Number of newly listed companies for the year	183	154	98	90	73
Number of new listing applications accepted in the year	Not available	231	316	187	136

*Source:*

- (1) Annual market statistics, The Stock Exchange of Hong Kong Limited
- (2) Report on Initial Public Offering Applications, Delisting and Suspensions, The Stock Exchange of Hong Kong Limited

As discussed with the Management, we are given to understand that contracts of regular printing services provided to listed companies such as handling of periodical reporting documents and compliance documents are basically recurring business. Service fees to be earned from the provision regular printing services depend on the number of listed companies served by the Group and directly correlate with the number of listed companies in Hong Kong. Contracts of listing-related projects such as IPO financial printing services contain stage payment schedule setting out specific milestones such as submission of new listing application and successful listing of companies. We are given to understand that a large portion of the service fees from listing-related

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

projects are earned upon successful listing of companies. Accordingly, revenue to be generated from provision of IPO financial printing services largely correlate with the newly listed companies for a particular year.

As shown in the table above, the number of listed companies stabilized and hovered around the level of 2,500 to 2,600 companies in the past five years. The number of newly listed companies each year has been decreasing over the past five years. The number of new listing applications also peaked at 316 cases in year 2021 and sharply decreased by approximately 40.8% to 187 cases in year 2022 and further decreased by approximately 27.3% to 136 cases in year 2023. The latest number of newly listed companies on the Stock Exchange in year 2023 only represented less than 40% of that in year 2019.

To revitalize the overshadowed capital market, the Hong Kong government has taken initiatives to strengthen Hong Kong's financial centre status. With reference to the 2024 Policy Address, the Hong Kong government targets to strive for more listing of enterprises in Hong Kong and encourage both international enterprises and large-scale Mainland enterprises to list in Hong Kong. Furthermore, specific measures will be announced by SFC and the Stock Exchange to optimize vetting of listing applications.

While there are a number of favorable policies to be implemented that may help enhance the Hong Kong capital market, having considered that (i) regular printing services such as handling of periodical reporting documents and compliance documents are not expected to be the propeller of growth given the stable number of listed companies over years; and (ii) the listing related projects which represent a key driver to profitability of financial printing business have yet to show recovery amid the current headwind and slowdown in Hong Kong IPO market, we remain cautious about the future prospect and outlook of the financial printing industry.

### **3. Analysis of price performance and trading liquidity**

#### ***Offer Price comparison***

The Offer Price of HK\$0.06 per Offer Share represents:

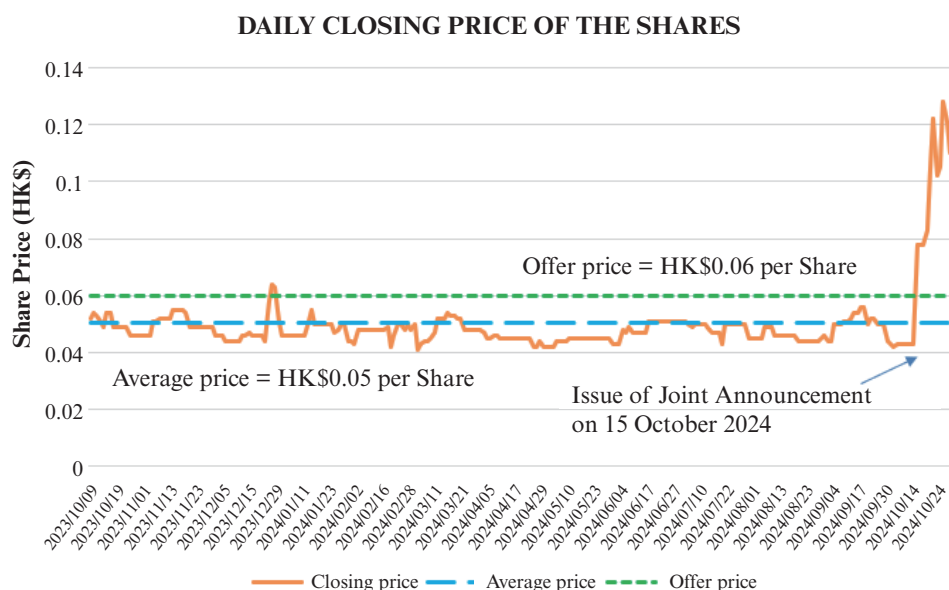
- (i) a premium of approximately 39.53% over the closing price of HK\$0.0430 per Share as quoted on the Stock Exchange on 7 October 2024, being the Last Trading Day;
- (ii) a premium of approximately 35.14% over the average closing price of HK\$0.0444 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a discount of approximately 45.45% to the closing price of HK\$0.11 per Share as quoted on the Stock Exchange on the Latest Practicable Date

We have conducted further analysis on the fairness and reasonableness of the Offer Price as presented below.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### *Historical Share price movement*

In order to assess the fairness and reasonableness of the Offer Price, we have performed a review on the daily closing prices of the Shares from 8 October 2023, being one year prior to the Last Trading Day (the “**Pre-Announcement Period**”), and from the Last Trading Day up to the Latest Practicable Date (the “**Post-Announcement Period**”) (collectively the “**Review Period**”). We consider that the one full year duration of the Review Period would be a reasonable and sufficient period to illustrate the closing price movement of the Shares as it can fairly and sufficiently reflect the market perception on the Company’s financial performance and outlook. The daily closing prices of the Shares for the Review Period are illustrated as follows:



As shown in the chart above, during the Pre-Announcement Period, the average share price was approximately HK\$0.048 per Share (the “**Average Share Price**”). The daily closing price ranged from HK\$0.041 per Share (the “**Lowest Share Price**”) to HK\$0.064 per Share (the “**Highest Share Price**”) during the Pre-Announcement Period. The reason for sudden surge in share price to the Highest Share Price on 28 December 2023 was unknown to the Management. The Offer Price of HK\$0.06 represents (i) a premium of approximately 46.3% to the Lowest Share Price; (ii) a discount of approximately 6.25% to the Highest Share Price; and (iii) a premium of approximately 25% to the Average Share Price for the Pre-Announcement Period.

Following the issue of Joint Announcement on 15 October 2024, the share price surged sharply from approximately HK\$0.043 per Share on the Last Trading Day to the highest of approximately HK\$0.128 per Share recorded on 28 October 2024, representing an increase of approximately 197.7% during the period. During the Post-Announcement Period, the average closing price of Shares was approximately HK\$0.10 which is higher than the Offer Price by

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

approximately 66.7%. The Offer Price of HK\$0.06 represents a discount of approximately 45.45% to the closing price of HK\$0.11 per Share as at the Latest Practicable Date. We consider that the short term increase in the Share price after the Joint Announcement may reflect the market anticipation of the favourable effects to be brought by the change of the controlling shareholder of the Company.

We notice that the Offer Price of HK\$0.06 per Share (i) is close to the Highest Share Price during the Pre-Announcement Period; (ii) represents a premium of approximately 20% to the average share price of HK\$0.05 per Share during the Review Period; and (iii) is better than the closing prices of 243 out of 258 trading days (excluding trading halt prior to issue of Joint Announcement) during the Review Period.

### *Historical trading liquidity of the Shares*

The following table sets out the trading volume of the Shares during the Review Period:

Month/period	Total trading volume (No. of Shares)	No. of trading days	Average daily trading volume of the Shares	Percentage of average daily trading volume to total number of Shares held by public Shareholders at the end of the relevant month/period (Note)
<b>Year 2023</b>				
October (from 8 October 2023)	4,360,000	16	272,500	0.06%
November	2,530,000	22	115,000	0.03%
December	6,270,000	19	330,000	0.08%
<b>Year 2024</b>				
January	4,360,000	22	198,182	0.05%
February	2,110,000	19	111,053	0.03%
March	1,280,000	20	64,000	0.01%
April	1,400,000	20	70,000	0.02%
May	1,130,000	21	53,810	0.01%
June	1,480,000	19	77,895	0.02%
July	1,900,000	22	86,364	0.02%
August	1,460,000	22	66,364	0.02%
September	3,720,000	19	195,789	0.04%
October	114,110,000	21	5,433,810	1.23%
November (up to the Latest Practicable Date)	790,000	1	790,000	0.18%

*Note:* Based on the average daily trading volume of Shares divided by total number of Shares held by public Shareholders (i.e. 440,000,000 Shares)

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As shown in the table above, during the Review Period, the trading liquidity of the Shares remains generally thin with the average daily trading volume ranging from approximately 0.01% to 1.23% of the total number of Shares held by public Shareholders. Except for the increase in trading volume in October 2024 up to the Latest Practicable Date which is believed to be stimulated by the Offer following the issue of the Joint Announcement on 15 October 2024, the average daily trading volume for each month during the Review Period is below 1%. Such thin liquidity would suggest that any sale of large number of Shares on the market over a short period of time may be difficult without exerting downward pressure on the price of the Shares. Therefore, the Offer provides an opportunity for the Independent Shareholders to realise their investments in the Company at a fixed price.

#### 4. Market comparable analysis

For market comparable analysis, we have identified listed companies on the Stock Exchange engaging in similar business of the Group with similar size (the “**Comparable Companies**”). In selection of the Comparable Companies, our selection criteria focused on companies that (i) are principally engaged in provision of financial printing services; and (ii) have market capitalization not exceeding HK\$100 million which is considered small cap companies and comparable to the market capitalization of the Group of HK\$43 million as at the Last Trading Day being the last trading day prior to the release of terms of the Offer and the market factoring in any information arising from the Offer. The Comparable Companies selected based on the above selection criteria are exhaustive and are thus considered fair and representative samples.

Since the Company is loss making in FY2023, we have compared the price to sales ratio (“**P/S**”) and price to book ratio (“**P/B**”) of the Company and the Comparable Companies, a summary of which is set out in the table below:

Stock code	Company name	Market capitalization (Note 1) HK\$'000	P/S (Note 2)	P/B (Note 3)
8416	HM International Holdings Limited	45,091	0.3	0.5
1631	REF Holdings Limited	64,000	0.5	0.8
1841	A.Plus Group Holdings Limited	86,000	0.7	0.8
		<b>Average</b>	0.5	0.7
		<b>Minimum</b>	0.3	0.5
		<b>Maximum</b>	0.7	0.8
	The Company			
	Based on Offer Price (Note 4)	60,000	1.3	1.1

*Notes:*

1. Calculated based on the share price and number of shares in issue of the respective Comparable Companies as at the Last Trading Day.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Based on the revenue extracted from latest annual reports of the respective Comparable Companies.
3. Based on the net asset value extracted from latest interim/annual reports of the respective Comparable Companies.
4. Market capitalization of the Company is calculated based on the Offer Price and number of shares in issue on Last Trading Day. The revenue for the year ended 30 September 2023 is extracted from the 2023 Annual Report. We note that 12 months have passed since the publication of 2023 Annual Report and the Company is preparing the financial results for FY2024. Having considered that (i) the FY2023 revenue is the latest available audited figure for calculation of valuation metrics; (ii) the FY2023 revenue of HK\$46.5 million approximates to the average revenue of HK\$49.8 million in the previous three financial years; and (iii) the Directors confirm that there has been no material change in the financial or trading position or outlook of the Group since 30 September 2023, we consider that the use of FY2023 revenue in calculation of P/S could fairly reflect the current position of the Company. The net asset value as at 31 March 2024 is extracted from the 2024 Interim Report.

As shown in the table above, the P/S of the Comparable Companies ranged from approximately 0.3 times to approximately 0.7 times, with an average of approximately 0.5 times. The P/S of the Company based on Offer Price of approximately 1.3 times is better than that of the Comparable Companies. The P/B of the Comparable Companies ranged from approximately 0.5 times to approximately 0.8 times, with an average of approximately 0.7 times. The P/B of the Company based on Offer Price of approximately 1.1 times is better than that of the Comparable Companies.

Having considered that (i) the valuation metrics of P/S and P/B represented by the Offer Price are better than that of the Comparable Companies; (ii) the Offer Price is close to the Highest Share Price recorded during the Pre-Announcement Period and represents a premium to the closing prices of 243 out of 258 trading days (excluding trading halt prior to issue of Joint Announcement) during the Review Period, we are of the view that the Offer Price is fair and reasonable so far as the Independent Shareholders are concerned.

### RECOMMENDATIONS

Taking into consideration the principal factors set out above, in particular, (i) the persistent loss making position of the Group and uncertain recovery of the higher margin listing related services segment which is crucial to the profitability of financial printing business; (ii) the current headwind and slowdown in Hong Kong IPO market that casts uncertainty over the prospect and business outlook of the financial printing industry; (iii) the Offer Price is close to the Highest Share Price and represents a premium of approximately 20% to the average share price for the Review Period; (iv) the current market price of the Shares as at the Latest Practicable Date which is higher than the Offer Price may be resulted from short term stimulation of the Offer and may not be sustainable; (v) the Offer provides an opportunity for the Independent Shareholders to realise their investments in the Company at a fixed price amidst low trading liquidity of the Shares; and (vi) the valuation metrics of P/S and P/B represented by the Offer Price are better than that of the Comparable Companies, we consider the Offer is fair and reasonable. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to accept the Offer.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

However, the Independent Shareholder should note that the Shares has been trading above the Offer Price as at the Latest Practicable Date. As such, we would like to remind the Independent Shareholders, who would like to realise part or all of their investments in the Shares, to closely monitor the market price and liquidity of the Shares during the Offer Period and may, instead of accepting the Offer, consider selling their Shares in the open market should such sale proceeds, net of all transaction costs, exceed the amount receivable under the Offer. The Independent Shareholders, who believe that they will not be able to sell the Shares in the market at a price higher than the Offer Price because of their size of the shareholding, may consider the Offer as an alternative exit of their investments.

Yours faithfully,  
For and on behalf of  
**Messis Capital Limited**  
**Thomas Lai**  
*Chief Executive Officer*

*Mr. Thomas Lai is a licensed person registered with the Securities and Futures Commission of Hong Kong and regarded as a responsible officer of Mesis Capital Limited to carry out type 6 (advising on corporate finance) regulatory activity under the SFO and has over 29 years of experience in corporate finance industry.*



**1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE OFFER**

To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Offer.

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Offer, you must send the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Shares for which you intend to accept the Offer, by post or by hand, to the Registrar, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong in an envelope marked “**EDICO Holdings Limited — Offer**” as soon as possible but in any event so as to reach the Registrar no later than 4:00 p.m. on the Closing Date.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your Shares, you must either:
  - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Shares for which you intend to accept the Offer with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver in an envelope marked “**EDICO Holdings Limited — Offer**” the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Shares for which you intend to accept the Offer to the Registrar; or
  - (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver in an envelope marked “**EDICO Holdings Limited — Offer**” the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Shares for which you intend to accept the Offer to the Registrar; or

- (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf in respect of the number of Shares for which you intend to accept the Offer on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
  - (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (c) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost and you wish to accept the Offer in respect of your Shares, the Form of Acceptance should nevertheless be duly completed, signed and delivered in an envelope marked **"EDICO Holdings Limited — Offer"** to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares should be forwarded to the Registrar as soon as possible thereafter. If you have lost the share certificate(s), you should also write to the Registrar for a letter of indemnity which, when completed and signed in accordance with the instructions given, should be provided to the Registrar.
- (d) If you have lodged transfer of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it in an envelope marked **"EDICO Holdings Limited — Offer"** to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to the Offeror and/or Astrum Capital and/or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Registrar with the Form of Acceptance.

- (e) Acceptance of the Offer will be treated as valid only if the duly completed and signed Form of Acceptance is received by the Registrar no later than 4:00 p.m. on the Closing Date and the Registrar has recorded that the acceptance and the relevant documents as required under this paragraph have been so received, and is:
  - (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Shares for which you intend to accept the Offer and, if that/those share certificate(s) is/are not in your name, such other document(s) in order to establish your right to become the registered holder of the relevant Shares; or
  - (ii) from a registered Independent Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another subparagraph of this paragraph (e)); or
  - (iii) certified by the Registrar or the Stock Exchange.
- (f) If the Form of Acceptance is executed by a person other than the registered Independent Shareholder, appropriate documentary evidence of authority to the satisfaction of the Registrar must be produced.
- (g) Seller's Hong Kong ad valorem stamp duty for transfer of Shares registered in the seller's name by the Company through the Registrar arising in connection with the acceptance of the Offer payable by the relevant Independent Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable by the Offeror to the relevant Independent Shareholders accepting the Offer. The Offeror will arrange for payment of the sellers' Hong Kong ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
- (h) No acknowledgement of receipt of any Form of Acceptance and/or share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

**2. ACCEPTANCE PERIOD AND REVISIONS**

- (a) Unless the Offer has previously been revised or extended, with the consent of the Executive, in accordance with the Takeovers Code, the Form of Acceptance must be received by the Registrar no later than 4:00 p.m. on the Closing Date in accordance with the instructions printed on the Form of Acceptance, and the Offer will be closed on the Closing Date.
- (b) The Offeror and the Company will jointly issue an announcement through the websites of the Stock Exchange and the Company no later than 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been extended, revised or has expired.
- (c) In the event that the Offeror decides to extend the Offer, at least 14 days' notice by way of announcement will be given, before the latest time and date for acceptance of the Offer, to those Independent Shareholders who have not accepted the Offer.
- (d) If the Offeror revises the terms of the Offer, all Independent Shareholders, whether or not they have already accepted the Offer will be entitled to accept the revised Offer under the revised terms. The revised Offer must be kept open for at least 14 days after the date of the revised offer document.
- (e) If the Closing Date is extended, any reference in this Composite Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent Closing Date of the Offer so extended.

**3. NOMINEE REGISTRATION**

To ensure equality of treatment of all Independent Shareholders, those Independent Shareholders who hold the Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Shares, whose investments are registered in nominee names, to accept the Offer, it is essential that they provide instructions to their nominees of their intentions with regard to the Offer.

**4. ANNOUNCEMENTS**

- (a) As required under Rule 19 of the Takeovers Code, by 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offer. The Offeror must publish an announcement in accordance with the requirements of the GEM Listing Rules by 7:00 p.m. on the Closing Date stating whether the Offer has been extended, revised or has expired. Such announcement must state the followings:
- (i) the total number of Shares and rights over Shares for which acceptances of the Offer have been received;
  - (ii) the total number of Shares and rights over Shares held, controlled or directed by the Offeror and parties acting in concert with it before the Offer Period; and
  - (iii) the total number of Shares and rights over Shares acquired or agreed to be acquired by the Offeror and parties acting in concert with it during the Offer Period.

The announcement must also include details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and parties acting in concert with it have borrowed or lent (save for any borrowed Shares which have been either on-lent or sold) and specify the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

- (b) In computing the total number of Shares represented by acceptances, only valid acceptances that are complete and in good order in compliance with Note 1 to Rule 30.2 of the Takeovers Code and in accordance with the instructions set out in paragraph 1(e) of this Appendix, and which have been received by the Registrar no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offer, shall be included.
- (c) As required under the Takeovers Code and the GEM Listing Rules, any announcement in relation to the Offer, in respect of which the Executive and the Stock Exchange have confirmed that they have no further comments, will be published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.edico.com.hk](http://www.edico.com.hk)).

**5. RIGHT OF WITHDRAWAL**

- (a) Acceptance of the Offer tendered by the Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in sub-paragraph (b) below.
- (b) If the Offeror is unable to comply with the requirements set out in section headed “4. Announcements” above, the Executive may require pursuant to Rule 19.2 of the Takeovers Code that the Independent Shareholders who have tendered acceptance to the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirement of Rule 19 of the Takeovers Code can be met.

In such case, when the Independent Shareholders withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event no later than seven (7) Business Days after the Offer is withdrawn, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form of Acceptance to the relevant Independent Shareholder(s) at their own risks.

**6. SETTLEMENT OF THE OFFER**

Provided that the accompanying Form of Acceptance for the Shares, together with the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are valid, complete and in good order and have been received by the Registrar no later than 4:00 p.m. on the Closing Date, a cheque for the amount due to each of the accepting Independent Shareholders in respect of the Shares tendered under the Offer (less seller’s Hong Kong ad valorem stamp duty payable by him/her/it) will be despatched to the accepting Independent Shareholders by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven (7) Business Days after the date of receipt of all relevant documents to render such acceptance complete and valid by the Registrar in accordance with the Takeovers Code.

Settlement of the consideration to which any accepting Independent Shareholder is entitled under the Offer will be paid by the Offeror in full in accordance with the terms of the Offer (save with respect of the payment of seller’s Hong Kong ad valorem stamp duty) without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Independent Shareholder.

No fractions of a cent will be payable and the amount of cash consideration payable to an Independent Shareholder who accepts the Offer will be rounded up to the nearest cent.

**7. OVERSEAS SHAREHOLDERS**

As the Offer to persons not being resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, the Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the sole responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes due from the accepting Overseas Shareholders in respect of such jurisdictions). The Offeror, parties acting in concert with the Offeror, the Vendor, the Vendor Guarantor, the Company, Astrum Capital, Akron, the Independent Financial Adviser, the Registrar and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Shareholders for any taxes they may be required to pay. Any acceptance of the Offer by such Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the applicable local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

**8. TAX IMPLICATIONS**

The Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Vendor, the Vendor Guarantor, the Company, Astrum Capital, Akron, the Independent Financial Adviser, the Registrar nor their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

**9. GENERAL**

- (a) All communications, notices, Form of Acceptance, certificates, transfer receipts and other documents of title and/or of indemnity and/or of any other nature to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Offeror, parties acting in concert with the Offeror, the Vendor, the Vendor Guarantor, the Company, Astrum Capital, Akron, the Independent Financial Adviser, the Registrar nor their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts any liability for any loss or any other liabilities whatsoever which may arise as a result thereof.



- (b) Acceptance of the Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror that the Shares tendered under the Offer are sold or tendered by such Independent Shareholder(s) free from all encumbrance and together with all rights and benefits attached thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of this Composite Document.
- (c) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Offer Shares in respect of which it is indicated in the Form of Acceptance is the aggregate number of Offer Shares held by such nominee for such beneficial owners who accept the Offer.
- (d) The provisions set out in the accompanying Form of Acceptance form part of the terms of the Offer.
- (e) The accidental omission to despatch this Composite Document and/or the accompanying Form of Acceptance or either of them to any person to whom the Offer is made shall not invalidate the Offer in any way.
- (f) The Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.
- (g) Due execution of the Form of Acceptance will constitute an irrevocable authority to the Offeror and/or Astrum Capital and/or such person or persons as any of them may direct to complete and execute on behalf of the person(s) accepting the Offer, and to do any other act(s) that may be necessary or expedient for the purpose of vesting in the Offeror, or such person or persons as it may direct the Shares in respect of which such person has accepted the Offer.
- (h) The Offer is made in accordance with the Takeovers Code.
- (i) References to the Offer in this Composite Document and in the Form of Acceptance shall include any extension and/or revision thereof.
- (j) The Independent Shareholders must rely on their own examination of the Offeror, the Group and the terms of the Offer, including the merits and risks involved, in making their decision as to acceptance of the Offer. The contents of this Composite Document, including any general advice or recommendation contained herein, together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Offeror, its ultimate beneficial owner and parties acting in concert with any of them, the Company or its ultimate beneficial owners, directors, officers, agents, professional advisers or any other persons involved in the Offer. The Independent Shareholders should consult their own professional advisers for professional advices.
- (k) The English texts of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts, in case of any inconsistency.



## 1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Set out below is a summary of (i) the audited consolidated financial information of the Group for each of the three financial years ended 30 September 2021, 2022 and 2023 (as extracted from the Company's annual reports for the years ended 30 September 2021 (the “**20/21 Annual Report**”), 30 September 2022 (the “**21/22 Annual Report**”) and 30 September 2023 (the “**22/23 Annual Report**”)); and (ii) the unaudited consolidated financial information of the Group for the six months ended 31 March 2023 and 2024 (as extracted from the Company's interim reports for the six months ended 31 March 2023 (the “**22/23 Interim Report**”) and 31 March 2024 (the “**23/24 Interim Report**”)):

	For the six months		For the year ended 30 September		
	ended 31 March		2021	2022	2023
	2023	2024	2021	2022	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
<b>Revenue</b>	13,123	14,892	57,532	45,395	46,499
Cost of sales and services	(8,221)	(7,193)	(27,944)	(22,704)	(23,944)
<b>Gross profit</b>	4,902	7,699	29,588	22,691	22,555
Other income	644	1,595	2,058	1,715	1,623
Impairment losses under expected credit loss model	—	—	—	—	(3,937)
Selling expenses	(1,074)	(1,482)	(3,625)	(3,271)	(2,604)
Administrative (and other operating) expenses	(11,535)	(11,136)	(29,319)	(25,263)	(24,574)
Finance costs	(443)	(232)	(511)	(904)	(784)
<b>(Loss)/profit before income tax</b>	(7,506)	(3,556)	(1,809)	(5,032)	(7,721)
Income tax credit/(expenses)	—	—	80	2,251	41
<b>(Loss) and total comprehensive (loss) for the period/year attributable to owners of the Company</b>	<u>(7,506)</u>	<u>(3,556)</u>	<u>(1,729)</u>	<u>(2,781)</u>	<u>(7,680)</u>
	HK cents	HK cents	HK cents	HK cents	HK cents
<b>(Loss)/profit per Share</b>	<u>(0.75)</u>	<u>(0.36)</u>	<u>0.17</u>	<u>(0.28)</u>	<u>(0.77)</u>

For each of the years ended 30 September 2021, 30 September 2022 and 30 September 2023 and for the six months ended 31 March 2023 and 31 March 2024, the Group had no non-controlling interest. Accordingly, the profit/(loss) and total comprehensive income/(loss) for the period/year as disclosed above is the same as the profit/(loss) attributable to owners of the Company for the period/year and the total comprehensive income/(loss) attributable to owners of the Company for the period/year.

Save as disclosed above, there was no item of any income or expense which was material in respect of the consolidated financial information of the Group for the years ended 30 September 2021, 30 September 2022 and 30 September 2023 and the six months ended 31 March 2023 and 31 March 2024.

There was no dividend declared during each of the years ended 30 September 2021, 30 September 2022 and 30 September 2023 nor any interim dividend declared for the six months ended 31 March 2023 and 31 March 2024.

The auditor's reports issued by PKF Hong Kong Limited in respect of the Group's audited consolidated financial statements for each of the years ended 30 September 2021, 30 September 2022 and 30 September 2023 did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern.

## **2. CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP**

The Company is required to set out or refer to in this Composite Document the consolidated statements of financial position, consolidated statements of cash flows and any other primary statements as shown in the consolidated financial statements of the Group for each of the three years ended 30 September 2021, 2022 and 2023 and the six months ended 31 March 2023 and 31 March 2024, together with the notes to the relevant published consolidated financial statements which are of major relevance to the appreciation of the above consolidated financial information.

The audited consolidated financial statements of the Group for the year ended 30 September 2021 are set out from pages 59 to 103 in the 20/21 Annual Report which was published on 11 February 2022. The 20/21 Annual Report is available on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.edico.com.hk](http://www.edico.com.hk)) and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0211/2022021100349.pdf>

The audited consolidated financial statements of the Group for the year ended 30 September 2022 are set out from pages 59 to 103 in the 21/22 Annual Report which was published on 23 December 2022. The 21/22 Annual Report is available on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.edico.com.hk](http://www.edico.com.hk)) and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/gem/2022/1223/2022122300800.pdf>

The audited consolidated financial statements of the Group for the year ended 30 September 2023 are set out from pages 59 to 103 in the 22/23 Annual Report which was published on 28 December 2023. The 22/23 Annual Report is available on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.edico.com.hk](http://www.edico.com.hk)) and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/gem/2023/1228/2023122801214.pdf>

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2023 are set out from pages 3 to 14 in the 22/23 Interim Report which was published on 12 May 2023. The 22/23 Interim Report is available on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.edico.com.hk](http://www.edico.com.hk)) and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0512/2023051200534.pdf>

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2024 are set out from pages 3 to 15 in the 23/24 Interim Report which was published on 5 June 2024. The 23/24 Interim Report is available on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.edico.com.hk](http://www.edico.com.hk)) and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0605/2024060502028.pdf>

The financial statements contained in the 20/21 Annual Report, 21/22 Annual Report, 22/23 Annual, 22/23 Interim Report and 23/24 Interim Report (but not any other part of the respective annual report and interim report) are incorporated by reference into this Composite Document and form part of this Composite Document.

### **3. INDEBTEDNESS STATEMENT**

At the close of business on 31 August 2024, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this Composite Document, the indebtedness of the Group was as follows:

#### **Borrowings**

As at the close of business on 31 August 2024, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Composite Document, apart from intragroup liabilities, the Group did not have any debt securities issued and outstanding or agreed to be issued, bank borrowings or other similar indebtedness, mortgages or charges, guarantees or other material contingent liabilities.

**Lease liabilities**

As at 31 August 2024, the Group had current and non-current lease liabilities of approximately HK\$3.5 million.

**Contingent Liabilities**

As at 31 August 2024, the Group did not have any contingent liabilities that will have a material adverse effect on the financial position, liquidity or result of operation of the Group.

**Capital commitment**

The Group did not have any significant contractual capital commitments as at 31 August 2024.

**Working Capital**

The Directors are of the opinion that, after taking into account the financial resources of the Group, the working capital available to the Group is sufficient for the Group's requirements for at least twelve months from the date of publication of this Composite Document.

**4. MATERIAL CHANGE**

The Directors confirm that there has been no material change in the financial or trading position or outlook of the Group since 30 September 2023, being the date to which the latest published audited financial statements of the Company were made up, up to and including the Latest Practicable Date.

## 1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than information relating to the Offeror and the parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document the omission of which would make any statement in this Composite Document misleading.

## 2. SHARE CAPITAL

The authorised and issued share capital of the Company of HK\$0.01 each as at the Latest Practicable Date were as follows:

<i>Authorised share capital:</i>	<i>HK\$</i>
<u>5,000,000,000</u> Shares	<u>50,000,000</u>
<i>Issued and fully paid share capital:</i>	
<u>1,000,000,000</u> Shares	<u>10,000,000</u>

All the existing issued Shares are fully paid up or credited as fully paid and rank *pari passu* in all respects with each other, including the rights as to voting, dividends and return of capital. The Shares are listed on the Stock Exchange and none of the securities of the Company is listed or dealt in on any other stock exchange and no such listing or permission to deal is being or is proposed to be sought.

Since 30 September 2023 (being the date to which the Company's latest published audited consolidated financial statements were made up) and up to and including the Latest Practicable Date, no Shares had been issued by the Company.

Save for the aforementioned issued Shares, as at the Latest Practicable Date, the Company had no other outstanding shares, options, derivatives, warrants or securities which are convertible or exchangeable into Shares and had not entered into any agreement for the issue of such shares, options, derivatives, warrants or securities of the Company.

### 3. MARKET PRICE

The table below shows the closing price of the Shares as quoted on the Stock Exchange on (i) the last trading day of the Stock Exchange for each calendar month during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

<b>Date</b>	<b>Closing price per Share (HK\$)</b>
30 April 2024	0.042
31 May 2024	0.043
28 June 2024	0.051
31 July 2024	0.045
30 August 2024	0.045
30 September 2024	0.050
7 October 2024 (the Last Trading Day)	0.043
31 October 2024	0.110
1 November 2024 (the Latest Practicable Date)	0.110

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.128 per Share on 28 October 2024 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.042 per Share on 25 April 2024, 26 April 2024, 30 April 2024, 2 May 2024, 3 May 2024, 6 May 2024 and 4 October 2024, respectively.

### 4. DISCLOSURE OF INTERESTS

#### (a) Interests and short positions of the Directors and chief executive of the Company

As at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which are 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 interests and short positions which they were deemed or taken to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register required to be kept referred to therein; or (c) pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules; or (d) to be disclosed in this Composite Document pursuant to the Takeovers Code.

As at the Latest Practicable Date, none of the Directors is a director or employee of a company which has interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

**(b) Interests and short positions of substantial Shareholders**

As at the Latest Practicable Date, so far as is known to the Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares or debentures of the Company which 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 required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein:

Shareholder(s)	Capacity	Number of Shares held/interested	Approximate percentage shareholding (Note 1)
The Offeror (Note 2)	Beneficial owner	560,000,000	56.00%
Mr. Lui (Note 2)	Interest in controlled corporation	560,000,000	56.00%
Ms. Yuen	Beneficial owner	192,200,000	19.20%

*Notes:*

1. The percentages had been calculated on the basis of 1,000,000,000 Shares in issue as at the Latest Practicable Date.
2. The Offeror is beneficially and wholly owned by Mr. Lui. Accordingly, Mr. Lui is deemed to be interested in the 560,000,000 Shares held by the Offeror by virtue of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified of any other person (other than the Directors and chief executives of the Company) who had, or was deemed to have, an interest or short position in the Shares and/or underlying Shares which fell 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 pursuant to section 336 of the SFO, which would have to be recorded in the register referred to therein.

**5. ADDITIONAL DISCLOSURE OF SHAREHOLDINGS AND DEALINGS PURSUANT TO THE TAKEOVERS CODE**

- (i) save for the Sale Shares disposed of by the Vendor (which is beneficially and wholly-owned by Mr. Chan) pursuant to the Share Purchase Agreement, the Directors did not have any dealing in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares during the Relevant Period;
- (ii) none of the Company nor the Directors had any dealings in the shares, warrants, options, derivatives and securities carrying conversion or subscription rights into shares of the Offeror during the Relevant Period;
- (iii) as at the Latest Practicable Date, none of the Company nor any of the Directors was interested in any shares of the Offeror or any convertible securities, warrants, options, or derivatives in respect of any shares of the Offeror;
- (iv) none of the subsidiaries of the Company or the pension funds of the Company or any member of the Group or any persons who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (excluding exempt principal traders and exempt fund managers) owned or controlled, or had dealt for value in any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company during the Relevant Period;
- (v) save for the Non-accepting Irrevocable Undertaking, no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code and no person who had such an arrangement had any dealings in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares during the Offer Period and up to the Latest Practicable Date;



- (vi) no Shares, convertible securities, warrants, options or derivatives of the Company were managed on a discretionary basis by fund managers (other than exempt fund managers, if any) connected with the Company, and no such person had dealt in the Shares or any convertible securities, warrants, options or derivatives in respect of any Shares during the Offer Period and up to the Latest Practicable Date;
- (vii) none of the Company or the Directors had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in respect of any Shares as at the Latest Practicable Date;
- (viii) as at the Latest Practicable Date, none of the Directors held any beneficial shareholdings in the Company which would otherwise entitle them to accept or reject the Offer; and
- (ix) as at the Latest Practicable Date, save for the Share Purchase Agreement, there is no understanding, arrangement or agreement which would constitute a special deal (as defined in Rule 25 of the Takeovers Code) between (1) any Shareholders on the one hand, and (2) the Company, its subsidiaries or associated companies on the other hand.

#### **6. ARRANGEMENTS AFFECTING DIRECTORS**

As at the Latest Practicable Date:

- (i) no arrangement was in place for any benefit (other than statutory compensation) to be given to any Director as compensation for loss of office or otherwise in connection with the Offer;
- (ii) there was no agreement or arrangement between any Director and any other person which was conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer; and
- (iii) save for the Share Purchase Agreement, there was no material contracts entered into by the Offeror in which any Director has a material personal interest.

**7. DIRECTORS' SERVICE AGREEMENTS**

As at the Latest Practicable Date, none of the Directors had entered into any service agreements with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed term contracts) have been entered into or amended within 6 months before the Offer Period; (ii) are continuous contracts with notice period of 12 months or more; or (iii) are fixed term contracts with more than 12 months to run irrespective of the notice period.

**8. MATERIAL LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration or claims which would materially and adversely affect the operations of the Group and no litigation, arbitration or claims which would materially and adversely affect the operations of the Group was known to the Directors to be pending or threatened by or against any members of the Group.

**9. MATERIAL CONTRACTS**

There was no contract (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) which was entered into by the members of the Group within two years before the Offer Period and up to the Latest Practicable Date.

**10. EXPERT'S QUALIFICATION AND CONSENT**

The following is the name and qualification of the expert who has given its opinions and advice which are contained or referred to in this Composite Document:

<b>Name</b>	<b>Qualification</b>
Messis Capital Limited	A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

The above expert has given and has not withdrawn its written consent to the issue of this Composite Document, with the inclusion of their opinion or recommendation and references to their names in the forms and context in which they respectively appear.

As at the Latest Practicable Date, the above expert did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 30 September 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up.

## **11. MISCELLANEOUS**

As at the Latest Practicable Date:

- (a) the registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands;
- (b) the principal place of business of the Company in Hong Kong is 8/F., Wheelock House 20 Pedder Street Central Hong Kong;
- (c) the Company's branch share registrar and transfer office in Hong Kong is Union Registrars Limited whose registered address is situated at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong;
- (d) the registered address of Messis Capital is situated at Room 1303, 13/F, OfficePlus @Wan Chai, No. 303 Hennessy Road, Wan Chai, Hong Kong; and
- (e) in case of inconsistency, the English text of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese text.

## **12. DOCUMENTS ON DISPLAY**

Copies of the following documents are available on display (i) on the website of the Company ([www.edico.com.hk](http://www.edico.com.hk)); and (ii) on the website of the SFC ([www.sfc.hk](http://www.sfc.hk)), during the period from the date of this Composite Document up to and including the Closing Date:

- (a) the amended and restated memorandum of association and amended and restated articles of association of the Company;
- (b) the 20/21 Annual Report;
- (c) the 21/22 Annual Report;
- (d) the 22/23 Annual Report;
- (e) the 22/23 Interim Report;
- (f) the 23/24 Interim Report;
- (g) the letter from the Board, the text of which is set out in this Composite Document;

- (h) the letter from the Independent Board Committee containing its advice to the Independent Shareholders, the text of which is set out in this Composite Document;
- (i) the letter from Messis Capital, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders, the text of which is set out in this Composite Document;
- (j) the letter of consent referred to under the paragraph headed “10. Expert’s Qualification and Consent” in this appendix; and
- (k) this Composite Document and the accompanying Form of Acceptance.

**1. RESPONSIBILITY STATEMENT**

Mr. Lui, being the sole director and sole shareholder of the Offeror, accepts full responsibility for the accuracy of information contained in this Composite Document (other than those relating to the Vendor, the Vendor Guarantor and the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Composite Document (other than the opinions expressed by the Vendor Guarantor and the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

**2. DISCLOSURE OF INTERESTS AND DEALINGS IN SECURITIES OF THE COMPANY**

The Offeror is ultimately wholly and beneficially owned by Mr. Lui, who is also the sole director of the Offeror. As at the Latest Practicable Date, the Offeror, Mr. Lui and the parties acting in concert with them hold in aggregate 560,000,000 Shares, representing 56.0% of the total issued share capital of the Company. As at the Latest Practicable Date, save as disclosed above, the Offeror, Mr. Lui and parties acting in concert with them did not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

The Offeror confirms that, as at the Latest Practicable Date:

- (i) save for the Non-accepting Irrevocable Undertaking given by Ms. Yuen, none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them has received any irrevocable commitment to accept or reject the Offer or any irrevocable undertaking from any Shareholders not to sell or transfer (or cause the same to be done) or otherwise dispose of (or permit any such action to occur in respect of) any interest in any Shares held by he/she/it/them;
- (ii) save for 560,000,000 Shares held by the Offeror immediately following Completion, none of the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them owns, has control or has direction over any voting rights or rights over the Shares, convertible securities, warrants, options, derivatives or other securities that are convertible or exchangeable into Shares or other types of equity interest in the Company;
- (iii) save for the Share Purchase Agreement, neither the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them had dealt for value in any Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company during the Relevant Period;
- (iv) there is no agreement or arrangement in relation to outstanding derivative in respect of the securities in the Company which has been entered into by the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them;

- (v) there is no other agreement, arrangement or understanding that any securities acquired in pursuance of the Offer or the Sale Shares would be transferred, charged or pledged to any other persons;
- (vi) save for the Share Purchase Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares between the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them and/or other associates of the Offeror and any other person;
- (vii) none of the persons who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them owned or controlled any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company;
- (viii) save for the Share Purchase Agreement, no person who had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them had any dealings in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period and up to the Latest Practicable Date;
- (ix) there is no agreement or arrangement to which the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (x) neither the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (xi) save for the Consideration for the Sale Shares, there is no consideration, compensation or benefit in whatever form paid or to be paid by the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them to the Vendor, its ultimate beneficial owner and/or any parties acting in concert with any of them in connection with the sale and purchase of the Sale Shares;
- (xii) save for the Share Purchase Agreement, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them on one hand, and the Vendor, its ultimate beneficial owner and/or parties acting in concert with any of them on the other hand;

- (xiii) save for the Share Purchase Agreement (including the indemnity provided by the Vendor Guarantor in favour of the Offeror) and the Non-accepting Irrevocable Undertaking, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder (including the Vendor, its ultimate beneficial owner and/or parties acting in concert with any of them); and (2) (a) the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them, or (b) the Company, its subsidiaries or associated companies;
- (xiv) no arrangement was in place for any benefit (other than statutory compensation) to be given to any Director as compensation for loss of office or otherwise in connection with the Offer;
- (xv) save for the Share Purchase Agreement and the Non-accepting Irrevocable Undertaking, there was no agreement, arrangement or understanding (including any compensation arrangement) which exists between the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them and any of the Directors, recent Directors, Shareholders or recent Shareholders which was conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer; and
- (xvi) save for the Share Purchase Agreement, there was no material contracts entered into by the Offeror in which any Director has a material personal interest.

### 3. MARKET PRICES

The table below shows the closing prices of the Shares as quoted on the Stock Exchange on (i) the last trading day in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

<b>Date</b>	<b>Closing price per Share (HK\$)</b>
30 April 2024	0.042
31 May 2024	0.043
28 June 2024	0.051
31 July 2024	0.045
30 August 2024	0.045
30 September 2024	0.050
7 October 2024 (the Last Trading Day)	0.043
31 October 2024	0.110
1 November 2024 (the Latest Practicable Date)	0.110

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.128 per Share on 28 October 2024 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.042 per Share on 25 April 2024, 26 April 2024, 30 April 2024, 2 May 2024, 3 May 2024, 6 May 2024 and 4 October 2024, respectively.

#### 4. EXPERTS AND CONSENTS

In addition to those listed under the section headed “10. Expert’s Qualification and Consent” in Appendix III to this Composite Document, the followings are the names and qualifications of the professional advisers whose letters, opinions or advice are contained or referred to in this Composite Document:

<b>Name</b>	<b>Qualification</b>
Astrum Capital	a licensed corporation to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
Akron	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Each of the above experts has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its opinions, advice letter/report and/or the references to its name included herein in the form and context in which it appears.

#### 5. MISCELLANEOUS

- (a) The principal members of the Offeror’s concert parties are the Offeror and Mr. Lui. The Offeror, Jantix Management Limited, is a company incorporated in Hong Kong with limited liability, which is wholly owned by Mr. Lui, who is also the sole director of the Offeror as at the Latest Practicable Date.
- (b) The registered office of the Offeror is at 15th Floor, Oriental Centre, 67–71 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong. The correspondence address of the Offeror and Mr. Lui is 15th Floor, Oriental Centre, 67–71 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong.
- (c) The registered office of Astrum Capital is at Room 2704, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong.
- (d) The registered office of Akron is at 23A, China United Centre, 28 Marble Road, North Point, Hong Kong.



- (e) The English text of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts, in case of any inconsistency.

## **6. DOCUMENTS ON DISPLAY**

In addition to the documents set forth in the section headed “12. Documents on Display” in Appendix III to this Composite Document, copies of the following documents are available on display on the website of the SFC at [www.sfc.hk](http://www.sfc.hk) and the website of the Company at [www.edico.com.hk](http://www.edico.com.hk) during the period from the date of this Composite Document up to and including the Closing Date:

- (a) the articles of association of the Offeror;
- (b) the letter from Astrum Capital, the text of which is set out in the section headed “Letter from Astrum Capital” of this Composite Document;
- (c) the written consents as referred to in the section headed “4. Experts and Consents” in this appendix;
- (d) the Share Purchase Agreement;
- (e) the Non-accepting Irrevocable Undertaking; and
- (f) this Composite Document and the accompanying Form of Acceptance.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Form of Acceptance, 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 Form of Acceptance.

香港交易及結算所有限公司、香港聯合交易所有限公司及香港中央結算有限公司對本接納表格內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本接納表格全部或任何部分內容而產生或因依賴該等內容而引致之任何損失承擔任何責任。

Unless the context otherwise requires, terms used in this Form of Acceptance shall bear the same meanings as those defined in the composite offer and response document dated 5 November 2024 (the “Composite Document”) issued jointly by Jantix Management Limited (the “Offeror”) and EDICO Holdings Limited (the “Company”).

除文義另有所指外，本接納表格所用詞彙與寶庭管理有限公司（「要約方」）與EDICO Holdings Limited鉅京控股有限公司\*（「本公司」）於2024年11月5日聯合刊發之綜合要約及回應文件（「綜合文件」）所界定之詞彙具有相同涵義。

**FORM OF ACCEPTANCE AND TRANSFER FOR USE IF YOU WANT TO ACCEPT THE OFFER.**

本接納及過戶表格在 閣下欲接納要約時適用。

**EDICO Holdings Limited**  
**鉅京控股有限公司\***  
(Incorporated in the Cayman Islands with limited liability)  
(於開曼群島註冊成立的有限公司)  
(Stock Code: 8450)  
(股份代號：8450)

**FORM OF ACCEPTANCE AND TRANSFER OF ORDINARY SHARE(S) OF  
HK\$0.01 EACH IN THE ISSUED SHARE CAPITAL OF EDICO HOLDINGS LIMITED**  
**鉅京控股有限公司\*已發行股本中每股面值0.01港元之普通股股份之接納及過戶表格**

**Except the section marked “Do not complete”, all parts should be completed in full**  
**除註明「請勿填寫本欄」一節外，全部欄位均需填寫**

Hong Kong Branch Share Registrar and Transfer Office: Union Registrars Limited  
香港股份過戶登記分處：聯合證券登記有限公司  
Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong  
香港北角英皇道338號華懋交易廣場2期33樓3301-04室

You must insert the total number of Share(s) for which the Offer is accepted. 閣下必須填上接納要約之股份總數。	<b>FOR THE CONSIDERATION</b> stated below the “ <b>Transferor(s)</b> ” named below hereby accept(s) the Offer and transfer(s) to the “ <b>Transferee</b> ” named below the Share(s) held by the Transferor(s) specified below subject to the terms and conditions contained herein and in the accompanying Composite Document. 下列「轉讓人」謹此根據本表格及隨附之綜合文件所載條款及條件，按下列代價接納要約並將以下註明之轉讓人所持股份轉讓予下列「承讓人」。		
	Number of Share(s) to be transferred (Note 1) 將予轉讓之股份數目 (附註1)	FIGURES 數字	WORDS 大寫
	Share certificate number(s) 股票號碼		
	TRANSFEROR(S) name(s) and address in full 轉讓人全名及地址 (EITHER TYPE-WRITTEN OR WRITTEN IN BLOCK CAPITALS) (請用打字機或正楷填寫)	Family name(s) or company name(s) 姓氏或公司名稱	Forename(s) 名字
		Registered address 登記地址	Telephone number 電話號碼
	CONSIDERATION (Note 2) 代價 (附註2)	HK\$0.06 in cash for each Offer Share 每股要約股份現金0.06港元	
TRANSFEEE 承讓人	Name 名稱 Registered Address 登記地址 Occupation 職業	Jantix Management Limited 寶庭管理有限公司 15th Floor, Oriental Centre, 67-71 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong 香港九龍尖沙咀漆咸道南67-71號安年大廈15樓 Corporation 法人團體	

Signed by or on behalf of the Transferor(s) in the presence of:  
轉讓人或其代表在下列見證人見證下簽署：  
Signature of witness 見證人簽署

Name of witness 見證人姓名

Address of witness 見證人地址

Occupation of witness 見證人職業

Signature(s) of Transferor(s)/Company chop, (if applicable)  
轉讓人簽署／公司印鑑 (如適用)

Date of submission of this Form of Acceptance  
提交本接納表格之日期

**ALL JOINT  
REGISTERED  
HOLDERS MUST  
SIGN HERE**  
所有聯名登記  
持有人均須  
於本欄簽署

<b>Do not complete 請勿填寫本欄</b>	
Signed by or on behalf of the Transferee in the presence of: 承讓人或其代表在下列見證人見證下簽署： Signature of witness 見證人簽署	For and on behalf of 代表 Jantix Management Limited 寶庭管理有限公司 Authorised Signatory(ies) 授權簽署人
Name of witness 見證人姓名	
Address of witness 見證人地址	
Occupation of witness 見證人職業	Signature of Transferee or its duly authorised agent(s) 承讓人或其正式授權代理簽署
Date of signing by the Transferee 承讓人簽署之日期	

**Notes 附註:**

- Insert the total number of Shares for which the Offer is accepted. If no number is inserted or a number inserted is greater or smaller than those represented by the Share certificate(s) tendered for acceptance of the Offer and you have signed this Form of Acceptance, this Form of Acceptance will be returned to you for correction and resubmission. Any corrected Form of Acceptance must be resubmitted and received by the Registrar on or before the latest time of acceptance of the Offer.  
請填上接納要約之股份總數。若無填上數目，或所填上數目超過或低於 閣下就接納要約所提交之股票之股份數目，而 閣下已簽署本接納表格，則本接納表格將予退回 閣下更正及再次提交。任何經更正接納表格必須在要約最後接納時限或之前再行提交並送達過戶登記處收取。
  - The consideration will be paid to an accepting Independent Shareholder less seller’s Hong Kong ad valorem stamp duty.  
向接納獨立股東支付的代價將扣除賣方的香港從價印花稅。
- \* For identification only 僅供識別

**THIS FORM OF ACCEPTANCE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to any aspect of this Form of Acceptance or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred all your Shares in EDICO Holdings Limited, you should at once hand this Form of Acceptance and the Composite Document to the purchaser(s) or the transferee(s) or to the bank, the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).**

The making of the Offer to Overseas Shareholders (as the case may be) may be affected by the laws of the relevant jurisdictions. If you are an Overseas Shareholder, you should obtain appropriate legal advice regarding the implications of the Offer in the relevant jurisdictions and observe any applicable regulatory or legal requirements. It is your responsibility if you wish to accept the Offer to satisfy yourself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or cancellation or other taxes due from you in respect of such jurisdiction in connection with your acceptance.

### HOW TO COMPLETE THIS FORM OF ACCEPTANCE

The Offer is unconditional in all respects. This Form of Acceptance should be read in conjunction with the Composite Document. The provisions of Appendix I to the Composite Document are incorporated into and form part of this Form of Acceptance.

To accept the Offer made by Astrum Capital Management Limited ("Astrum Capital") for and on behalf of the Offeror, you should complete and sign this Form of Acceptance overleaf and forward this Form of Acceptance, together with the relevant share certificate(s), transfer receipt(s) and/or any other document(s) of title in respect of the Shares (and/or any satisfactory indemnity or indemnities required in respect thereof) ("Title Documents") for the number of Shares in respect of which you intend to accept the Offer, by post or by hand, marked "EDICO Holdings Limited — Offer" on the envelope, to the Registrar, namely Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as practicable, but in any event so as to reach the Registrar no later than 4:00 p.m. on Tuesday, 26 November 2024 (or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the permission of the Executive in accordance with the Takeovers Code).

### FORM OF ACCEPTANCE IN RESPECT OF THE OFFER

#### To: The Offeror and Astrum Capital

1. My/Our execution of this Form of Acceptance (whether or not this Form of Acceptance is dated) shall be binding on my/our successors and assignees and shall constitute:
  - (a) my/our irrevocable acceptance of the Offer made by Astrum Capital for and on behalf of the Offeror, as contained in the Composite Document, for the consideration and on and subject to the terms and conditions therein and herein mentioned, in respect of the number of Shares specified in this Form of Acceptance;
  - (b) my/our irrevocable instruction and authority to the Offeror, Astrum Capital or their respective agent(s) to send a cheque crossed "Not negotiable — account payee only" drawn in my/our favour for the cash consideration to which I/we shall have become entitled under the terms of the Offer after deducting all sellers' Hong Kong ad valorem stamp duty payable by me/us in connection with my/our acceptance of the Offer, by ordinary post at my/our risk to the person and the address stated below or, if no name and address is stated below, to me or the first-named of us (in the case of joint registered Shareholders) at the registered address shown in the register of members of the Company no later than seven (7) Business Days after the date on which all the relevant documents are received by the Registrar to render such acceptance complete and valid in accordance with the Takeovers Code:  
  
(Insert name and address of the person to whom the cheque is to be sent if different from the registered Shareholder or the first-named of joint registered Shareholders.)  
**Name:** (in block capitals) \_\_\_\_\_  
**Address:** (in block capitals) \_\_\_\_\_
  - (c) my/our irrevocable instruction and authority to the Offeror, Astrum Capital or the Registrar or such person or persons as either of them may direct for the purpose, on my/our behalf, to make and execute the contract note as required by the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) to be made and executed by me/us as the seller(s) of the Share(s) to be sold by me/us under the Offer and to cause the same to be stamped and to cause an endorsement to be made on this Form of Acceptance in accordance with the provisions of that Ordinance;
  - (d) my/our irrevocable instruction and authority to the Offeror, Astrum Capital or such person or persons as they may direct to complete, amend and execute any document on my/our behalf and to do any other act that may be necessary or expedient for the purpose of vesting in the Offeror or such person or persons as it may direct my/our Share(s) tendered for acceptance of the Offer;
  - (e) my/our undertaking to execute such further documents and to do such acts and things by way of further assurance as may be necessary or desirable to transfer my/our Share(s) tendered for acceptance under the Offer to the Offeror or such person or persons as it may direct free from all encumbrances and together with all rights and benefits attached thereto, including all rights to any dividends or other distributions declared, made or paid on or after the date on which the Offer is made, being the despatch date of the Composite Document;
  - (f) my/our agreement to ratify each and every act or thing which may be done or effected by the Offeror, Astrum Capital or their respective agents or such person or persons as he/it/they may direct on the exercise of any of the authorities contained herein; and
  - (g) my/our irrevocable instruction and authority to the Offeror, Astrum Capital and/or any of their respective agent(s) to collect from the Company or the Registrar on my/our behalf the share certificate(s) in respect of the Shares due to be issued to me/us in accordance with, and against surrender of, the enclosed transfer receipt(s) and/or other document(s) of title (if any), which has/have been duly signed by me/us, and to deliver the same to the Registrar and to authorise and instruct the Registrar to hold such share certificate(s) subject to the terms and conditions of the Offer as if it/they were share certificate(s) delivered to the Registrar together with this Form of Acceptance.
2. I/We understand that acceptance of the Offer by me/us will be deemed to constitute a warranty by me/us to the Offeror that the Share(s) specified in this Form of Acceptance acquired under the Offer will be sold free from all encumbrances and together with all rights and benefits at any time accruing and attached thereto, including all rights to any dividends or other distributions declared, made or paid on or after the date on which the Offer is made, being the despatch date of the Composite Document.
3. In the event that my/our acceptance is not valid, or is treated as invalid, in accordance with the terms of the Offer, all instructions, authorisations and undertakings contained in paragraph 1 above shall cease and in which event, I/we authorise and request you to return to me/us my/our Title Documents, together with this Form of Acceptance duly cancelled, by ordinary post at my/our risk to the person and address stated in paragraph 1(b) above or, if no name and address is stated, to me or the first-named of us (in the case of joint registered Shareholders) at the registered address shown in the register of members of the Company.  
*Note:* Where I/we have sent one or more transfer receipt(s) and in the meantime the relevant share certificate(s) has/have been collected by the Offeror, Astrum Capital or their respective agent(s) from the Registrar on my/our behalf, I/we shall be sent such share certificate(s) in lieu of the transfer receipt(s).
4. I/We enclose the Title Documents for the whole or part of my/our holding of Share(s) which are to be held by you on the terms and conditions of the Offer. I/We understand that no acknowledgement of receipt of any Form of Acceptance or Title Documents will be given. I/we further understand that all documents will be sent by ordinary post at my/our own risk.
5. I/We warrant and represent to the Offeror, Astrum Capital and the Company that I/we am/are the registered holder(s) of the Shares specified in this Form of Acceptance and that I/we have the full right, power and authority to sell and pass the title and ownership of my/our Shares to the Offeror absolutely by way of acceptance of the Offer.
6. I/We warrant to the Offeror and Astrum Capital that I/we have satisfied the laws of the jurisdiction where my/our address is stated in the register of members of the Company in connection with my/our acceptance of the Offer, including the obtaining of any governmental, exchange control or other consent which may be required and the compliance with necessary formalities or legal or regulatory requirements that I/we have not taken or omitted to take any action which will or may result in the Company, the Offeror or Astrum Capital or any other person acting in breach of the legal or regulatory requirements of any jurisdiction in connection with my/our acceptance of the Offer, and am/are permitted under all applicable laws to receive and accept the Offer, and any revision thereof, and that such acceptance is valid and binding in accordance with all applicable laws.
7. I/We warrant to the Offeror and Astrum Capital that I/we shall be fully responsible for payment of any transfer or other taxes or duties payable by me/us in connection with my/our acceptance of the Offer in respect of the relevant jurisdiction where my/our address is stated in the register of members of the Company.
8. I/We acknowledge that, save as expressly provided in the Composite Document and this Form of Acceptance, all acceptance, instructions, authorities and undertakings hereby given shall be irrevocable and unconditional.
9. I/We acknowledge that my/our Shares sold to the Offeror by way of acceptance of the Offer will be registered under the name of the Offeror or its nominee.
10. I/We irrevocably undertake, represent, warrant and agree to and with the Offeror, Astrum Capital and the Company (so as to bind my/our successors and assignees) that in respect of the Shares which are accepted or deemed to have been accepted under the Offer, which acceptance has not been validly withdrawn, and which have not been registered in the name of the Offeror or as it may direct, to give:
  - (a) an authority to the Company and/or its agents from me/us to send any notice, circular, warrant or other document or communication which may be required to be sent to me/us as a member of the Company (including any share certificate(s) and/or other document(s) of title issued as a result of conversion of such Shares into certificated form) to the attention of the Offeror;
  - (b) an irrevocable authority to the Offeror or its agents to sign any consent to short notice of any general meeting of the Company on my/our behalf and/or to attend and/or to execute a form of proxy in respect of such Shares appointing any person nominated by the Offeror to attend such general meeting (or any adjournment thereof) and to exercise the votes attaching to such Shares on my/our behalf, such votes to be cast in a manner to be determined at the sole discretion of the Offeror; and
  - (c) my/our agreement not to exercise any of such rights without the consents of the Offeror and my/our irrevocable undertaking not to appoint a proxy for, or to attend any, such general meeting and subject as aforesaid, to the extent I/we have previously appointed a proxy, other than the Offeror or its nominees or appointees, for or to attend or to vote at the general meeting of the Company, I/we hereby expressly revoke such appointment.

本接納表格乃重要文件，請即處理。閣下如對本接納表格之任何方面或應採取之行動有任何疑問，應諮詢閣下之持牌證券交易商或註冊證券機構、銀行經理、律師、專業會計師或其他專業顧問。

閣下如已將名下之鉅京控股有限公司\*股份全部售出或轉讓，應立即將本接納表格及綜合文件送交買主或承讓人，或經手買賣或轉讓之銀行、持牌證券交易商、註冊證券機構或其他代理商，以便轉交買主或承讓人。

向海外股東提呈要約可能會受有關司法權區之法律影響。倘閣下為海外股東，應就要約於有關司法權區之限制自行尋求適當之法律意見，並遵守任何適用監管或法律規定。閣下如欲接納要約，須自行負責就此全面遵守有關司法權區之適用法律及監管規定，包括取得任何所需之政府、外匯管制或其他同意，以及遵守其他必要手續或監管或法律規定，以及支付閣下於所有有關司法權區就閣下之接納應付之任何轉讓或註銷或其他稅款。

#### 本接納表格填寫方法

要約於所有方面為無條件，本接納表格應與綜合文件一併閱讀。綜合文件附錄一之條文已經收錄在本接納表格內，並構成其中一部分。

閣下如欲接納由阿仕特朗資本管理有限公司（「阿仕特朗資本」）代表要約方提出之要約，應填妥及簽署本接納表格之背頁，連同閣下欲接納要約之股份數目之相關股票、過戶收據及／或任何其他所有權文件（及／或就此所需並令人信納之任何彌償保證）（「所有權文件」）（信封面須註明「鉅京控股有限公司 — 要約」），於實際可行情況下盡快以郵寄或專人送交之方式送抵過戶登記處聯合證券登記有限公司（地址為香港北角英皇道338號華懋交易廣場2期33樓3301-04室），惟無論如何必須於2024年11月26日（星期二）下午四時正（或根據收購守則要約方在執行人員允許下可能釐定以及要約方與本公司可能共同公佈之有關較後時間及／或日期）前送達，方為有效。

#### 要約之接納表格

##### 致：要約方及阿仕特朗資本

- 本人／吾等一經簽署本接納表格（不論本接納表格是否已註明日期），即表示本人／吾等之承繼人及受讓人將受此約束，並表示：
  - 本人／吾等按綜合文件及本接納表格所述代價，願意不可撤回地按照並遵守當中所述條款及條件，就本接納表格所註明之股份數目接納綜合文件所載由阿仕特朗資本代表要約方提出之要約；
  - 本人／吾等不可撤回地指示及授權要約方、阿仕特朗資本或彼等各自之代理，各自就本人／吾等根據要約之條款應得之現金代價（扣除本人／吾等就本人／吾等接納要約應付之所有賣方香港從價印花稅），以「不得轉讓 — 只准入抬頭人賬戶」方式向本人／吾等開出劃線支票，然後於過戶登記處收到所有有關文件使接納根據收購守則為完整及有效之日後不遲於七(7)個營業日按以下地址以普通郵遞方式寄予以下人士，或如無於下欄填上姓名及地址，則按本公司股東名冊所示登記地址以普通郵遞方式寄予本人或吾等當中名列首位者（如屬聯名登記股東），郵誤風險概由本人／吾等承擔：  
(倘收取支票之人士並非登記股東或名列首位之聯名登記股東，則請在本欄填上該名人士之姓名及地址。)  
姓名：(請用正楷填寫) \_\_\_\_\_  
地址：(請用正楷填寫) \_\_\_\_\_
  - 本人／吾等不可撤回地指示及授權要約方、阿仕特朗資本、過戶登記處或彼等任何一方可能就此指定之有關人士，各自代表本人／吾等製備及簽立香港法例第117章印花稅條例規定本人／吾等作為根據要約出售股份之賣方須製備及簽立之成交單據，並按該條例之規定安排該單據加蓋印花及安排在本接納表格背書證明；
  - 本人／吾等不可撤回地指示及授權要約方、阿仕特朗資本或彼等任何一方可能指定之有關人士，各自代表本人／吾等填妥、修改及簽署任何文件，以及辦理任何其他必需或權宜之手續，將本人／吾等就接納要約所交回之股份轉歸要約方或其可能指定之有關人士所有；
  - 本人／吾等承諾於必需或合宜時簽署有關其他文件及辦理有關其他手續及事項，以將本人／吾等就接納要約所交回之股份轉讓予要約方或其可能指定之有關人士，該等股份並不附帶任何產權負擔，及連同隨附的一切權利及利益，包括作出要約當日（即綜合文件寄發日）或之後所宣派、作出或派付的任何股息或其他分派的所有權利；
  - 本人／吾等同意追認由要約方、阿仕特朗資本或彼等各自之代理或彼等任何一方可能指定之有關人士於行使本表格所載任何權利時可能作出或進行之各種行動或事宜；及
  - 本人／吾等不可撤回地指示及授權要約方、阿仕特朗資本或彼等各自之代理，代表本人／吾等交回隨附經本人／吾等正式簽署之過戶收據，並憑此向過戶登記處領取本人／吾等就股份應獲發之股票，並將有關股票送交過戶登記處，且授權及指示過戶登記處根據要約之條款及條件持有有關股票，猶如有關股票已連同本接納表格一併送交過戶登記處無異。
- 本人／吾等明白本人／吾等接納要約，將被視為構成本人／吾等向要約方保證其根據要約購入本接納表格列明出售之股份不會附帶任何產權負擔，及連同隨附的一切權利及利益，包括作出要約當日（即綜合文件寄發日）或之後所宣派、作出或派付的任何股息或其他分派的所有權利。
- 倘本人／吾等之接納根據要約之條款而言乃屬無效或被視為無效，則上文第1段所載之所有指示、授權及承諾均會失效。在此情況下，本人／吾等授權並懇請閣下將本人／吾等之所有權文件連同已正式註銷之本接納表格以普通郵遞方式一併寄予上文1(b)段所列之人士及地址，或如未有列明姓名及地址，則按本公司股東名冊所示登記地址寄予本人或吾等當中名列首位者（如為聯名登記股東），郵誤風險概由本人／吾等承擔。

附註：倘本人／吾等交出一份或以上過戶收據，而要約方、阿仕特朗資本或彼等各自之代理已代表本人／吾等從過戶登記處領取有關股票，則發還予本人／吾等者將為有關股票而非過戶收據。

- 本人／吾等茲附上本人／吾等之股份之全部或部分相關所有權文件，由閣下按要約之條款及條件予以保存。本人／吾等明白任何交回之接納表格或所有權文件概不獲發收據。本人／吾等亦了解以普通郵遞方式寄發之所有文件之一切郵誤風險概由本人／吾等自行承擔。
- 本人／吾等保證，本人／吾等有十足權利、權力及授權以接納要約之方式，向要約方出售及移交本人／吾等之股份之所有權及擁有權。
- 本人／吾等向要約方及阿仕特朗資本保證，本人／吾等已遵守在本公司股東名冊上列示本人／吾等地址所在司法權區關於本人／吾等接納要約方之法律，包括取得任何所需之政府、外匯管制或其他同意，及辦理一切必須之手續或遵守法律或監管規定，而本人／吾等並無採取或遺漏採取任何行動，致使導致（或可能導致）本公司、要約方或阿仕特朗資本或任何其他人士就本人接納要約違反任何司法權區之法律或監管規定，且本人／吾等現根據所有適用法例乃有權接受及接納要約及其任何修訂本，而根據所有適用法例，有關的接納均為有效及具有約束力。
- 本人／吾等向要約方及阿仕特朗資本保證，本人／吾等將會全權負責支付本人於在本公司股東名冊上所示本人／吾等地址所在相關司法權區就本人接納要約應付之任何轉讓費用或其他稅項或徵稅。
- 本人／吾等知悉，除在綜合文件及本接納表格清楚列明者外，所有就此作出之接納、指示、授權及承諾均為不可撤回及無條件。
- 本人／吾等確認以接納要約之方式售予要約方之本人／吾等之股份將以要約方或其代名人義登記。
- 本人／吾等向要約方、阿仕特朗資本及本公司（以約束本人／吾等的承繼人及受讓人）不可撤回地承諾、聲明、保證及同意，對於根據要約已接納或被視為已接納且其接納並未被有效撤回及並無按要約方的名義或按其指示登記的股份：
  - 本人／吾等授權本公司及／或其代理將須向本人／吾等作為本公司股東寄發的任何通告、通函、認股權證或其他須予寄發的文件或通訊（包括任何股票及／或因將該等股份轉為證書形式而發出的其他所有權文件），註明收件人為要約方；
  - 不可撤回地授權要約方或彼等之各自代理代表本人／吾等簽署任何同意書，同意縮短本公司股東大會通知期及／或出席及／或簽立該等股份的代表委任表格，以委任要約方提名的任何人士出席相關股東大會（或其任何續會），以及代表本人／吾等行使該等股份附帶的投票權，而該等投票權將以要約方全權酌情釐定的方式作出投票；及
  - 本人／吾等同意，在未得要約方同意的情況下不會行使任何相關權利，以及本人／吾等不可撤回地承諾不會就任何股東大會委任代表，或出席股東大會，及在上文所規限下，如本人／吾等以往已就本公司股東大會委任代表（而該代表並非要約方或彼等之各自代名人或獲委任人士）出席該等大會並於會上投票，則本人／吾等謹此撤回有關委任。

\* 僅供識別



## PERSONAL DATA

### Personal Information Collection Statements

This personal information collection statement informs you of the policies and practices of the Offeror, Astrum Capital and the Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) (the “Ordinance”).

#### 1. Reasons for the collection of your personal data

To accept the Offer for your Shares, you must provide the personal data requested. Failure to supply the requested data may result in the processing of your acceptance being rejected or delayed. It is important that you should inform the Offeror, Astrum Capital and/or the Registrar immediately of any inaccuracies in the data supplied.

#### 2. Purposes

The personal data which you provide on this Form of Acceptance may be used, held and/or stored (by whatever means) for the following purposes:

- processing your acceptance and verification of your compliance with the terms and application procedures set out in this Form of Acceptance and the Composite Document;
- registering transfers of the Share(s) out of your name(s);
- maintaining or updating the relevant register of members of the Company;
- conducting or assisting to conduct signature verifications, and any other verification or exchange of information;
- distributing communications from the Offeror and/or its agents such as Astrum Capital and the Registrar;
- compiling statistical information and Shareholder profiles;
- making disclosures as required by laws, rules or regulations (whether statutory or otherwise);
- disclosing relevant information to facilitate claims on entitlements;
- any other purpose in connection with the business of the Offeror, the Company or the Registrar; and
- any other incidental or associated purposes relating to the above or to enable the Offeror, Astrum Capital and/or the Registrar to discharge their obligations to the Shareholders and/or regulators and other purposes to which the Shareholders may from time to time agree to or be informed of.

#### 3. Transfer of personal data

The personal data provided in this Form of Acceptance will be kept confidential but the Offeror, Astrum Capital and/or the Registrar may, to the extent necessary for achieving the purposes above or any of them, make such enquiries as they consider necessary to confirm the accuracy of the personal data and, in particular, they may disclose, obtain, transfer (whether within or outside Hong Kong) such personal data to, from or with any and all of the following persons and entities:

- the Offeror and/or its agent(s), such as Astrum Capital and the Registrar;
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Offeror, Astrum Capital and/or the Registrar, in connection with the operation of its business;
- any regulatory or governmental bodies;
- any other persons or institutions with which you have or propose to have dealings, such as your bankers, solicitors, accountants or licensed securities dealers or registered institution in securities; and
- any other persons or institutions whom the Offeror, Astrum Capital and/or the Registrar considers to be necessary or desirable in the circumstances.

#### 4. Access and correction of personal data

The Ordinance provides you with rights to ascertain whether the Offeror, Astrum Capital and/or the Registrar holds your personal data, to obtain a copy of that data, and to correct any data that is incorrect. In accordance with the Ordinance, the Offeror, Astrum Capital and/or the Registrar have the right to charge a reasonable fee for the processing of any data access request. All requests for access to data or correction of data or for information regarding policies and practices and the kinds of data held should be addressed to the Offeror, Astrum Capital and/or the Registrar (as the case may be).

#### 5. Retention of personal data

The Offeror, Astrum Capital and the Registrar will keep the personal data provided in the Form of Acceptance for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Ordinance.

**YOU AGREE TO ALL OF THE ABOVE BY SIGNING THIS FORM OF ACCEPTANCE.**

## 個人資料

### 收集個人資料聲明

本收集個人資料聲明旨在知會閣下有關於約方、阿仕特朗資本及過戶登記處有關個人資料及香港法例第486章個人資料(私隱)條例(「該條例」)的政策及慣例。

#### 1. 收集閣下個人資料的原因

如閣下就所持有之股份接納要約，閣下須提供所需之個人資料。倘閣下未能提供所需資料，則可能導致閣下之接納申請被拒或受到延誤。如所提供的資料不準確，閣下須即時知會約方、阿仕特朗資本及／或過戶登記處。

#### 2. 用途

閣下於本接納表格提供之個人資料可能會用作、持有及／或保存(以任何方式)作下列用途：

- 處理閣下之接納申請及核實閣下是否已遵循本接納表格及綜合文件載列的條款及申請手續；
- 登記以閣下名義作出之股份轉讓；
- 保存或更新有關股份之股東名冊；
- 核實或協助核實簽名，以及進行任何其他資料核實或交換；
- 發佈要約方及／或其代理人(如阿仕特朗資本及過戶登記處)之通訊；
- 編製統計資料及股東概況；
- 按法例、規則或規例(無論法定或其他規定)作出披露；
- 披露相關資料以方便作出權利索償；
- 有關要約方、本公司或過戶登記處業務之任何其他用途；及
- 有關上文所述任何其他附帶或關連用途，以便要約方、阿仕特朗資本及／或過戶登記處履行彼等對股東及／或監管機構的責任及股東可能不時同意或知悉的其他用途。

#### 3. 轉交個人資料

於本接納表格所提供之個人資料將作為機密資料保存，惟要約方、阿仕特朗資本及／或過戶登記處為達致上述或有關任何上述之用途，可能作出彼等認為必須之查詢，以確認個人資料之準確性，尤其可向或自下列任何及所有個人及實體披露、獲取或轉交(無論在香港或香港以外的地區)該等個人資料：

- 要約方及／或其代理，如阿仕特朗資本及過戶登記處；
- 為要約方、阿仕特朗資本及／或過戶登記處之業務經營提供行政、電訊、電腦、付款或其他服務之任何代理、承包商或第三方服務供應商；
- 任何監管或政府機構；
- 與閣下進行交易或建議進行交易的任何其他人士或機構，如閣下的銀行、律師、會計師或持牌證券商或註冊證券商機構；及
- 要約方、阿仕特朗資本及／或過戶登記處認為必須或適當情況下之任何其他人士或機構。

#### 4. 獲取及更正個人資料

根據該條例規定，閣下有權確認要約方、阿仕特朗資本及／或過戶登記處是否持有閣下之個人資料，並獲取該資料副本，以及更正任何錯誤資料。依據該條例之規定，要約方、阿仕特朗資本及／或過戶登記處有權就處理獲取任何資料之請求收取合理之手續費。獲取資料或更正資料或獲取有關政策及慣例及所持資料類型之資料之所有請求，須提交予要約方、阿仕特朗資本及／或過戶登記處(視情況而定)。

#### 5. 保留個人資料

要約方、阿仕特朗資本及過戶登記處將按收集個人資料之用途需要保留接納表格內提供之個人資料。無需保留之個人資料將會根據該條例銷毀或處理。

閣下一經簽署本接納表格即表示同意上述所有條款。