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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.

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



Cover Story

2021/2022

This year, we ask...

“ What things that matter? ”

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!



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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

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

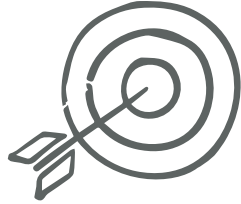
GEM of The Stock Exchange of Hong Kong Limited

STOCK CODE

8450

BOARD LOT

10,000 shares



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 | Gross profit margin ⁽¹⁾ = 50.0% (2021: 51.4%) Return on total assets ⁽²⁾ = (2.6%) (2021: (1.9%)) Return on equity ⁽³⁾ = (4.3%) (2021: (2.5%)) | 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 and fixed deposits = approximately HK\$68.5 million (2021: approximately HK\$65.9 million) Current ratio ⁽⁴⁾ = 2.9 times (2021: 3.8 times) Gearing ratio ⁽⁵⁾ = N/A (2021: N/A) Net debt to equity ratio ⁽⁶⁾ = Net cash position (2021: 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:

- 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 ^(Note) | 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 ^(Note) | The Group has recruited additional staff to join the sales, services and operations departments. |
| — Upgrading and acquiring equipment and software ^(Note) | 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 (陳增鈇)

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.

(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.

Directors' Report

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.

Directors' Report

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.

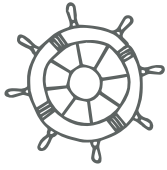
On behalf of the Board

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*)

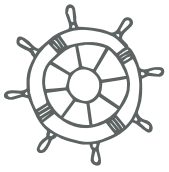
INEDS

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.

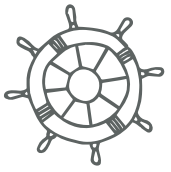
The attendance of each Director at the Board meetings during the Year is as follows:

| 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.

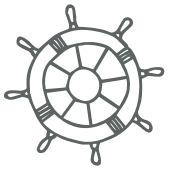
The principal roles and functions of the Audit Committee include but are not limited to:

- 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;

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- 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:

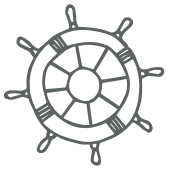
| Name of Directors | No. of Attendance/ No. of Meetings |
|-----------------------------|---|
| Mr. Wan Chun Wai Andrew | 1/1 |
| Mrs. Donati Chan Yi Mei Amy | 1/1 |
| Ms. Chan Chiu Yee Natalie | 1/1 |

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;



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- 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.

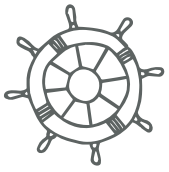
The Board shall have the final decision on all matters relating to its recommendation of candidates.

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.

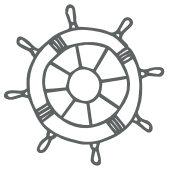
Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Shareholders after his/her appointment and shall be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office 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 |



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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

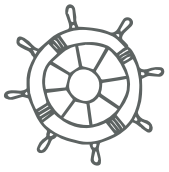
The Group acknowledges its responsibilities under the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong and the GEM Listing Rules and the overriding principle that inside information should be announced promptly when it is the subject of a decision. The procedures and internal controls 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.

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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

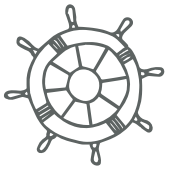
The Board has approved and modified the dividend policy to provide Shareholders with regular dividends (the "**Dividend Policy**"). The Company endeavors to deliver sustainable expectation to the Shareholders and to maintain a prudent capital management.

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.



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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.