

EDICO Holdings Limited

鉅京控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

Stock code : 8450

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One Step Forward



INTERIM REPORT
2023/2024



* For identification purpose only

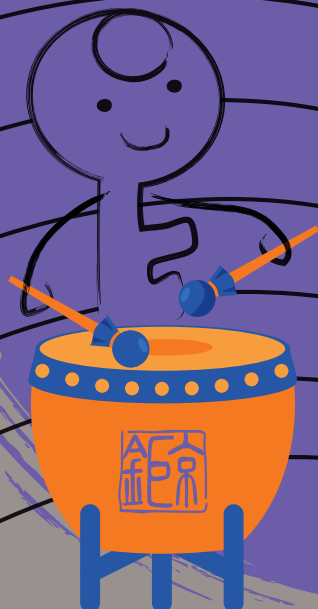
CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE” AND THE “GEM”, RESPECTIVELY)

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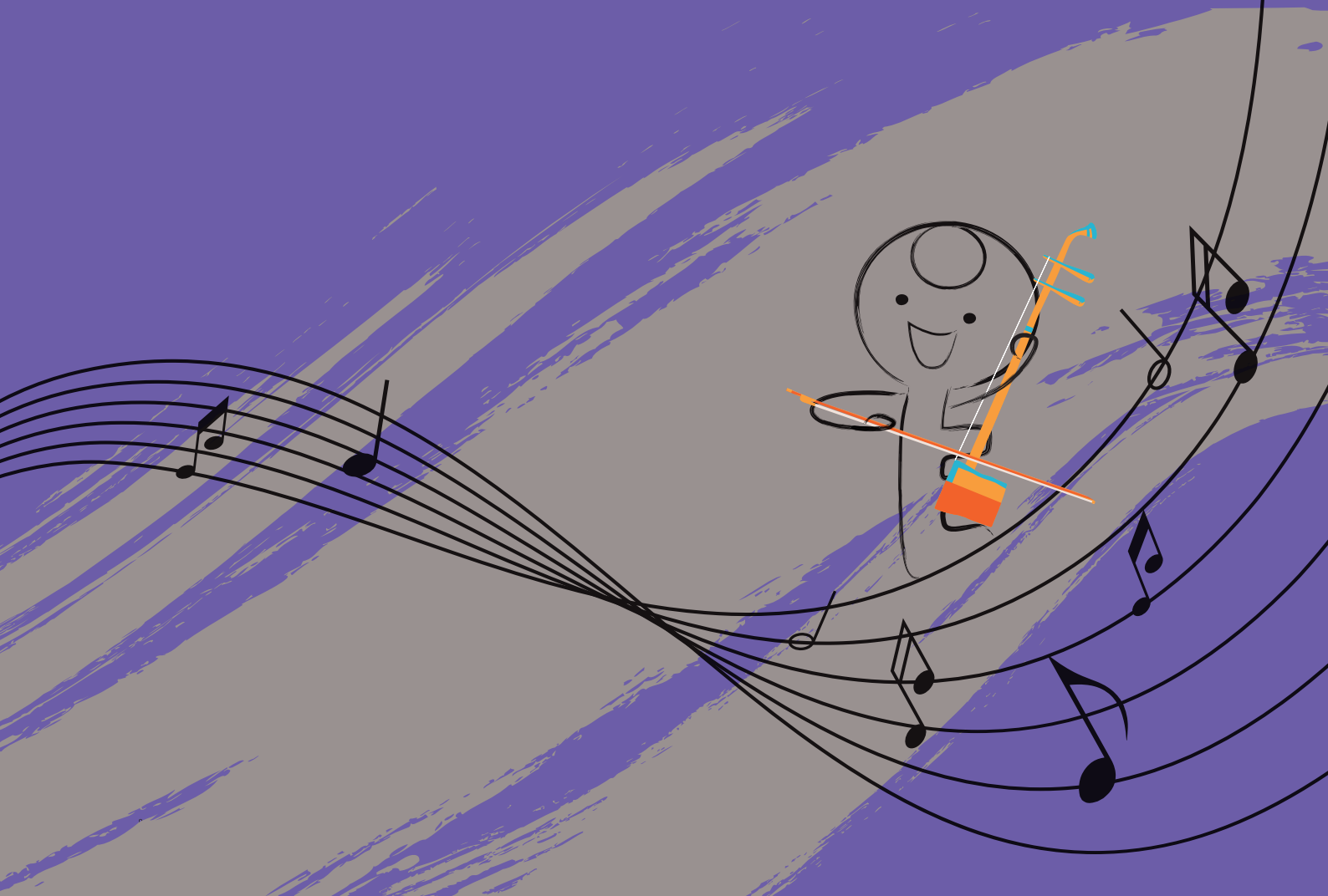
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This report, for which the directors of EDICO Holdings Limited (the “Company” and the “Directors”, respectively) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing 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.



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Financial Highlights



The Group's unaudited revenue for the six months ended 31st March 2024 amounted to approximately HK\$14.9 million, increased by approximately 13.7% as compared to that of the same period in 2023.



The Group's unaudited gross profit for the six months ended 31st March 2024 amounted to approximately HK\$7.7 million, increased by approximately 57.1% as compared to that of the same period in 2023.



The Group recorded an unaudited net loss of approximately HK\$3.6 million and approximately HK\$7.5 million for the six months ended 31st March 2024 and 2023 respectively.



The basic loss per share for the six months ended 31st March 2024 was HK0.36 cent (six months ended 31st March 2023: HK0.75 cent).



The board of Directors (the "**Board**") has resolved not to declare the payment of any dividend for the six months ended 31st March 2024 (six months ended 31st March 2023: HK\$Nil).



Interim Results

The Board announces the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 31st March 2024, together with the relevant comparative unaudited/audited figures.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31st March 2024

	Note	For the six months ended 31st March	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	3	14,892	13,123
Cost of services		(7,193)	(8,221)
Gross profit		7,699	4,902
Other income		1,595	644
Selling expenses		(1,482)	(1,074)
Administrative expenses		(11,136)	(11,535)
Finance costs		(232)	(443)
Loss before tax		(3,556)	(7,506)
Income tax	5	—	—
Loss and total comprehensive loss for the period attributable to the owners of the Company	6	(3,556)	(7,506)
Loss per share		HK cent	HK cent
Basic and diluted	8	(0.36)	(0.75)

Condensed Consolidated Statement of Financial Position

As at 31st March 2024

	Note	As at 31st March 2024 HK\$'000 (Unaudited)	As at 30th September 2023 HK\$'000 (Audited)
Non-current Assets			
Property, plant and equipment	9	337	574
Right-of-use assets	10	6,890	11,062
Deferred tax assets		1,046	1,046
Total Non-current Assets		8,273	12,682
Current Assets			
Trade receivables	11	4,036	14,018
Contract assets		91	217
Prepayments, deposits and other receivables		2,591	2,574
Fixed deposits		29,344	49,001
Cash and cash equivalents		32,327	11,562
Total Current Assets		68,389	77,372
Current Liabilities			
Trade payables	12	3,097	6,339
Contract liabilities		10,239	11,158
Accruals		2,120	3,387
Lease liabilities	10	6,845	8,976
Total Current Liabilities		22,301	29,860
Net Current Assets		46,088	47,512
Total Assets less Current Liabilities		54,361	60,194
Non-current Liability			
Lease liabilities	10	460	2,737
Net Assets		53,901	57,457
Capital and Reserves			
Share capital	13	10,000	10,000
Reserves		43,901	47,457
Total Equity		53,901	57,457

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31st March 2024

	Share Capital HK\$'000	Share Premium HK\$'000	Capital Reserve HK\$'000	Merger Reserve HK\$'000	Retained Profits HK\$'000	Total HK\$'000
(Unaudited)						
As at 1st October 2023	10,000	36,735	5,074	16	5,632	57,457
Loss and total comprehensive loss for the period	—	—	—	—	(3,556)	(3,556)
As at 31st March 2024	10,000	36,735	5,074	16	2,076	53,901
(Unaudited)						
As at 1st October 2022	10,000	36,735	5,074	16	13,312	65,137
Loss and total comprehensive loss for the period	—	—	—	—	(7,506)	(7,506)
As at 31st March 2023	10,000	36,735	5,074	16	5,806	57,631

Condensed Consolidated Statement of Cash Flows

For the six months ended 31st March 2024

	Six months ended 31st March	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Net cash from operating activities	4,233	665
Cash Flows from Investing Activities		
Withdrawal of fixed deposits	19,657	7,259
Interest received	1,541	449
Purchase of property, plant and equipment	—	(65)
Net cash from investing activities	21,198	7,643
Cash Flows from Financing Activities		
Repayments of interest element of lease liabilities	(258)	(469)
Repayments of principal element of lease liabilities	(4,408)	(4,229)
Net cash used in financing activities	(4,666)	(4,698)
Net increase in cash and cash equivalents	20,765	3,610
Cash and cash equivalents at the beginning of the period	11,562	23,810
Cash and cash equivalents at the end of the period	32,327	27,420

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31st March 2024

1. GENERAL INFORMATION

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

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

The unaudited condensed consolidated financial statements of the Group for the six months ended 31st March 2024 (the “**Unaudited Condensed Consolidated Financial Statements**”) are presented in Hong Kong Dollars (“**HK\$**”) which is also the functional currency of the Company and all values are rounded to the nearest thousand (“**HK\$’000**”) unless otherwise stated.

2. BASIS OF PREPARATION

The Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM.

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

Other than the application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) the HKICPA guidance as disclosed below, the accounting policies and methods of computation used in the preparation of the Unaudited Condensed Consolidated Financial Statements are consistent with those adopted in preparing the annual financial statements of the Group for the year ended 30th September 2023.

On 1st October 2023, the Group adopted all the relevant amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) and the HKICPA guidance as detailed below. The adoption has no material effect on the Group’s Financial position and performance for the current or prior period.

2. BASIS OF PREPARATION (Continued)

AMENDMENTS TO HKAS 8, ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS: DEFINITION OF ACCOUNTING ESTIMATES

The amendments provide further guidance on the distinction between changes in accounting policies and changes in accounting estimates. The amendments do not have a material impact on these financial statements as the Group's approach in distinguishing changes in accounting policies and changes in accounting estimates is consistent with the amendments.

AMENDMENTS TO HKAS 1, PRESENTATION OF FINANCIAL STATEMENTS AND HKFRS PRACTICE STATEMENT 2, MAKING MATERIALITY JUDGEMENTS: DISCLOSURE OF ACCOUNTING POLICIES

The amendments require entities to disclose material accounting policy information and provide guidance on applying the concept of materiality to accounting policy disclosure. The Group has revisited the accounting policy information it has been disclosing and considered it is consistent with the amendments.

CHANGE IN ACCOUNTING POLICY AS A RESULT OF APPLICATION OF THE HKICPA GUIDANCE ON THE ACCOUNTING IMPLICATIONS OF THE ABOLITION OF THE MANDATORY PROVIDENT FUND (“MPF”) – LONG SERVICE PAYMENT (“LSP”) OFFSETTING MECHANISM IN HONG KONG

The Group has several subsidiaries operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee's accrued retirement benefits derived from employers' MPF contributions was allowed under the Employment Ordinance (Cap.57). In June 2022, the Government of the HKSAR gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “Amendment Ordinance”) which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset severance payment and LSP (the “**Abolition**”). The Abolition will officially take effect on 1st May 2025 (the “**Transition Date**”). In addition, under the Amendment Ordinance, the last month's salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In light of this, the Group has implemented the guidance published by the HKICPA in connection with the LSP obligation retrospectively so as to provide more reliable and more relevant information about the effects of the offsetting mechanism and the Abolition.

The Group considered the accrued benefits arising from employer MPF contributions that have been vested with the employee and which could be used to offset the employee's LSP benefits as a deemed contribution by the employee towards the LSP. Historically, the Group has been applying the practical expedient in paragraph 93(b) of HKAS 19 to account for the deemed employee contributions as a reduction of the service cost in the period in which the related service is rendered.

2. BASIS OF PREPARATION (Continued)

CHANGE IN ACCOUNTING POLICY AS A RESULT OF APPLICATION OF THE HKICPA GUIDANCE ON THE ACCOUNTING IMPLICATIONS OF THE ABOLITION OF THE MANDATORY PROVIDENT FUND (“MPF”) – LONG SERVICE PAYMENT (“LSP”) OFFSETTING MECHANISM IN HONG KONG (Continued)

Based on the HKICPA’s guidance, as a result of the Abolition, these contributions are no longer considered “linked solely to the employee’s service in that period” since the mandatory employer MPF contributions after the Transition Date can still be used to offset the pre-transition LSP obligation. Therefore, it would not be appropriate to view the contributions as “independent of the number of years of service” and the practical expedient in paragraph 93(b) of HKAS 19 is no longer applicable. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit applying paragraph 93(a) of HKAS 19.

The management considers that the effect of the Abolition is insignificant to the Group.

3. REVENUE

The following is an analysis of the Group’s revenue from its provision of financial printing services during the six months ended 31st March 2023 and 2024:

	For the six months ended 31st March	
	2024 HK\$’000 (Unaudited)	2023 HK\$’000 (Unaudited)
Listing-related documents	8,150	2,827
Periodical reporting documents	3,244	4,763
Compliance documents	3,358	4,589
Miscellaneous and marketing collaterals (Note)	140	944
	14,892	13,123

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

4. SEGMENT INFORMATION

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

In addition, all of the Group's revenue is generated in Hong Kong based on the location of services rendered and all of the Group's assets and liabilities are located in Hong Kong. Accordingly, the Group does not present separately segment information by geographical locations.

5. INCOME TAX

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

No provision of Hong Kong profits tax has been made in the Unaudited Condensed Consolidated Financial Statements as the Group had no assessable profits for both periods under review.

6. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	For the six months ended 31st March	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Employee benefits expense (including Directors' emoluments):		
Salaries and allowances	10,370	10,000
Pension scheme contributions	397	398
	10,767	10,398
Depreciation of property, plant and equipment included in administrative expenses	237	438
Depreciation of right-of-use assets included in cost of services	259	289
Depreciation of right-of-use assets included in administrative expenses	3,913	3,913
Finance costs — interest on lease liabilities included in cost of services	26	26
Finance costs — interest on lease liabilities included in finance costs	232	443
Expenses relating to short term leases	—	288

7. DIVIDENDS

The Board has resolved not to declare the payment of any dividend for the six months ended 31st March 2024 (six months ended 31st March 2023: HK\$Nil).

8. LOSS PER SHARE

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

	For the six months ended 31st March	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Loss for the period attributable to owners of the Company for the purpose of calculating basic and diluted loss per share	(3,556)	(7,506)
Number of shares: Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	1,000,000	1,000,000
Basic and diluted loss per share	HK cent (0.36)	HK cent (0.75)

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

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31st March 2024, the Group did not acquire or dispose any plant and equipment (six months ended 31st March 2023: acquisition of HK\$65,000).

10. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

RIGHT-OF-USE ASSETS

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

	Leased premises HK\$'000	Office equipment HK\$'000	Total HK\$'000
As at 1st October 2023 (Audited)	10,004	1,058	11,062
Depreciation charge for the period	(3,913)	(259)	(4,172)
As at 31st March 2024 (Unaudited)	6,091	799	6,890
As at 1st October 2022 (Audited)	17,608	1,030	18,638
Depreciation charge for the period	(3,913)	(289)	(4,202)
As at 31st March 2023 (Unaudited)	13,695	741	14,436

For the current period, the Group leases its office and equipment (2023: office, warehouse and equipment) for its operations. Lease contracts for leased premises are entered into for fixed term of 2 to 3 years while the lease of equipment has a lease term of 5 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. Generally, the Group is restricted from assigning and subleasing the leased assets. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

10. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

LEASE LIABILITIES

The lease liabilities are payable:

	As at 31st March 2024 HK\$'000 (Unaudited)	As at 30th September 2023 HK\$'000 (Audited)
Current		
Within one year	6,845	8,976
Non-current		
More than one year but not later than two years	134	2,343
More than two years but not later than five years	326	394
	460	2,737
	7,305	11,713

The total cash outflow for leases for the six months ended 31st March 2024 was approximately HK\$4,666,000 (six months ended 31st March 2023: HK\$4,986,000).

AMOUNTS RECOGNISED IN PROFIT OR LOSS

	For the six months ended 31st March	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Depreciation of right-of-use assets	4,172	4,202
Interest on lease liabilities	258	469
Expenses relating to short term leases	—	288

The incremental borrowing rate applied to lease liabilities was 5.25% (six months ended 31st March 2023: 5.25%).

11. TRADE RECEIVABLES

	As at 31st March 2024 HK\$'000 (Unaudited)	As at 30th September 2023 HK\$'000 (Audited)
Trade receivables, gross	14,205	24,187
Less: Allowance for credit losses	(10,169)	(10,169)
	4,036	14,018

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

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

	As at 31st March 2024 HK\$'000 (Unaudited)	As at 30th September 2023 HK\$'000 (Audited)
Within 30 days	1,457	5,910
31 to 60 days	1,121	4,094
61 to 90 days	—	1,061
91 to 180 days	1,458	2,366
181 days to one year	—	480
Over one year	—	107
	4,036	14,018

12. TRADE PAYABLES

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

	As at 31st March 2024 HK\$'000 (Unaudited)	As at 30th September 2023 HK\$'000 (Audited)
Within 30 days	412	2,014
31 to 60 days	48	952
61 to 90 days	27	385
91 to 180 days	22	284
181 days to one year	298	35
Over one year	2,290	2,669
	3,097	6,339

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

13. SHARE CAPITAL

	Number of ordinary shares	Share capital HK\$
Authorised ordinary shares of HK\$0.01 each As at 30th September 2023 and 31st March 2024	5,000,000,000	50,000,000
Issued and fully paid ordinary shares of HK\$0.01 each As at 30th September 2023 and 31st March 2024	1,000,000,000	10,000,000

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

During the six months ended 31st March 2024, the revenue of the Group increased by approximately 13.7% as compared to that of the same period of last year, which was mainly attributable to the increase in revenue generated from printing the listing-related documents of approximately HK\$5.4 million from approximately HK\$2.8 million for the six months ended 31st March 2023 to approximately HK\$8.2 million for the six months ended 31st March 2024 whereas the revenue from (i) printing periodical reporting documents decreased by approximately HK\$1.6 million from approximately HK\$4.8 million for the six months ended 31st March 2023 to approximately HK\$3.2 million for the six months ended 31st March 2024 and (ii) compliance documents decreased by approximately HK\$1.2 million from approximately HK\$4.6 million for the six months ended 31st March 2023 to approximately HK\$3.4 million for the six months ended 31st March 2024, and (iii) miscellaneous and marketing collaterals decreased by approximately HK\$0.8 million from approximately HK\$0.9 million for the six months ended 31st March 2023 to approximately HK\$0.1 million for the six months ended 31st March 2024.

Half of a year has gone by so quickly, the Hong Kong economy is recorded remain under pressure. We are not expecting the market to rebound quickly and should remain on a downward trend, though EDICO is never afraid of facing challenges. We will continue to venture beyond our comfort zones, embracing calculated risks and exploring new frontiers. Continue to believe Hong Kong as a premier international financial center, the demand of the premium financial printing services will resume in long term and EDICO is always well positioned to capitalize the opportunities.

FINANCIAL REVIEW

REVENUE

The Group's revenue increased from approximately HK\$13.1 million for the six months ended 31st March 2023 to approximately HK\$14.9 million for the six months ended 31st March 2024, representing an increase of approximately 13.7%. Revenue generated from printing of the listing-related documents increased by approximately HK\$5.4 million whereas revenue related to (i) printing periodical reporting documents decreased by approximately 1.6 million; (ii) compliance documents decreased by approximately HK\$1.2 million; and (iii) miscellaneous and marketing collaterals decreased by approximately HK\$0.8 million as compared to the same period last year. The increase in revenue was mainly due to a significant increase in the revenue generated from handling listing-related documents as a result of an increase in the number of new customers successfully listed on the Stock Exchange during the period under review.

COST OF SERVICES

The Group's cost of services mainly included translation cost, printing cost and staff cost, which represented approximately 12.8%, 13.1% and 60.4%, respectively of the Group's total cost of services for the six months ended 31st March 2024. The Group's cost of services decreased from approximately HK\$8.2 million for the six months ended 31st March 2023 to approximately HK\$7.2 million for the six months ended 31st March 2024, representing an decrease of approximately 12.2%. The decrease in cost of services was mainly due to the effectiveness of our cost control during the period under review.

GROSS PROFIT

The Group's gross profit increased from approximately HK\$4.9 million for the six months ended 31st March 2023 to approximately HK\$7.7 million for the six months ended 31st March 2024, representing an increase of approximately 57.1%. The increase was generally in line with the increase of the Group's revenue during the period under review.

OTHER INCOME

The Group's other income increased from HK\$0.6 million for the six months ended 31st March 2023 to HK\$1.6 million for the six months ended 31st March 2024. The change was mainly attributable to the increase of interest income from fixed deposits placed in licenced banks in Hong Kong during the six months ended 31st March 2024.

SELLING EXPENSES

The Group's selling expenses increased from approximately HK\$1.1 million for the six months ended 31st March 2023 to HK\$1.5 million for the six months ended 31st March 2024. The increase was mainly attributable to the increase in staff cost.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses decreased from approximately HK\$11.5 million for the six months ended 31st March 2023 to approximately HK\$11.1 million for the six months ended 31st March 2024.

The decrease was mainly attributable to the decrease in staff cost and depreciation of property, plant and equipment.

FINANCE COSTS

The Group's finance costs represented interest on lease liabilities for the six months ended 31st March 2023 and 2024 under HKFRS 16.

INCOME TAX

There was no income tax for the Group for the six months ended 31st March 2024 as the Group had no assessable profits for the periods under review (six months ended 31st March 2023: HK\$Nil).

LOSS FOR THE PERIOD

The Group recorded a loss for the period of approximately HK\$3.6 million for the six months ended 31st March 2024 as compared with that of approximately HK\$7.5 million for the six months ended 31st March 2023. The change was primarily due to the increase in revenue generated from printing of listing-related documents during the six months ended 31st March 2024.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31st March 2024, our Group had cash and bank balances and time deposits of approximately HK\$61.7 million (30th September 2023: HK\$60.6 million) and did not have any bank borrowings (30th September 2023: HK\$Nil).

Our primary use of cash is to satisfy our working capital and capital expenditure needs. Historically, our Group's use of cash was mainly financed through a combination of cash received from the provision of services and financial support from our shareholder. Since the Listing, our liquidity requirements have been satisfied using a combination of cash generated from operating activities and net proceeds from the Listing. Our Directors believe that in the long term, our Group's operation will be funded by internally generated cash flows and, if necessary, additional equity and/or debt financing.

As at 31st March 2024, our Group's current assets amounted to approximately HK\$68.4 million (30th September 2023: HK\$77.4 million) and current liabilities amounted to approximately HK\$22.3 million (30th September 2023: HK\$29.9 million). Current ratio (calculated by dividing current assets by current liabilities) was 3.1 times as at 31st March 2024 (30th September 2023: 2.6 times).

CAPITAL EXPENDITURE

For the six months ended 31st March 2024, the Group had no capital expenditure.

GEARING RATIO

Gearing ratio is calculated as net debt (comprising contract liabilities, trade payables, accruals, and lease liabilities, less cash and cash equivalents) at the end of the respective period divided by total equity. Gearing ratio was not applicable to the Group as at 31st March 2024 and 30th September 2023 as the Group did not have net debt on both dates.

FOREIGN CURRENCY EXPOSURE

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

CAPITAL COMMITMENTS

The Group had no significant capital commitments as at 31st March 2024 (30th September 2023: HK\$Nil).

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 31st March 2024 (30th September 2023: HK\$Nil).

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There was no acquisition or disposal of subsidiaries, associates and joint ventures by the Group during the six months ended 31st March 2024.

SIGNIFICANT INVESTMENTS

As at 31st March 2024, the Group did not hold any significant investments or capital assets.

CHARGES ON THE GROUP'S ASSETS

As at 31st March 2024, the Group had no charges on the Group's assets.

EMPLOYEES AND REMUNERATION POLICIES

As at 31st March 2024, the Group had a total headcount of 51 full-time employees (31st March 2023: 56 full-time employees). The Group's employee benefit expenses mainly include salaries, wages, discretionary bonus, other staff benefits and contributions to retirement schemes. Remuneration is determined by reference to the market conditions and the performance, qualification and experience of individual employee.

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

DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended 31st March 2024 (six months ended 31st March 2023: HK\$Nil).

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant events requiring disclosure that have occurred after 31st March 2024 and up to the date of this report.

Corporate Governance and Other Information

DISCLOSURE OF INTERESTS

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

As at 31st March 2024, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long position in the Shares

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

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

Long position in the ordinary shares of associated corporation

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

Save as disclosed above and so far as is known to the Directors, as at 31st March 2024, none of the Directors nor the chief executive of the Company had or was deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which had been (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, entered in the register referred to therein; or (c) notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

(B) INTERESTS OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

As at 31st March 2024, so far as is known to the Directors, the person and entity (not being a Director or the chief executive of the Company) had, or were deemed to have, interests or short positions (directly or indirectly) in the Shares or underlying Shares that would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long position in the Shares

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

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

Save as disclosed above and so far as is known to the Directors, as at 31st March 2024, the Directors were not aware of any other entity which or person (other than a Director or the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares that had been disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

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

No options were granted, exercised, cancelled or lapsed by the Company under the Share Option Scheme during the six months ended 31st March 2024 and there were no outstanding share options under the Share Option Scheme during the period from the Listing Date to 31st March 2024. The number of options available for grant under the Share Option Scheme was 100,000,000 as at 1st October 2023 and as at 31st March 2024.

COMPETING INTERESTS

None of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company or any of their respective close associates (as defined in the GEM Listing Rules) had any business or interest in a business that competed or might compete with the business of the Group and had or might have any other conflicts of interest with the Group during the six months ended 31st March 2024.

CORPORATE GOVERNANCE CODE

The Company endeavours to adopt prevailing best corporate governance practices. During the six months ended 31st March 2024, the Company had complied with all the code provisions of the Corporate Governance Code as contained in Appendix C1 to the GEM Listing Rules.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Required Standard of Dealings**”) as its own code of conduct governing the securities transactions by the Directors. The Company had made specific enquiries of all the Directors and each of them has confirmed that he/she had complied with the Required Standard of Dealings during the six months ended 31st March 2024.

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

During the six months ended 31st March 2024, the Company did not redeem any of its listed securities, nor did the Company and any of its subsidiaries purchase or sell such securities.

AUDIT COMMITTEE

The financial information contained in this report has not been audited by the independent auditor of the Company. Pursuant to Rule 5.28 of the GEM Listing Rules, the Company established the audit committee (the “**Audit Committee**”) with written terms of reference aligned with the code provisions set out in Appendix C1 to the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control and risk management systems of the Group. As at the date of this report, the Audit Committee comprises Mr. Li Wai Ming (chairman), Mr. Wan Chun Wai Andrew and Ms. Chan Chiu Yee Natalie, being the independent non-executive Directors.

The Audit Committee has reviewed the unaudited condensed consolidated results of the Group for the six months ended 31st March 2024 and this report and is of the opinion that such results have been prepared in compliance with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

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

Hong Kong, 30th May 2024

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