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EDICO Holdings Limited

鉅京控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8450)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30TH JUNE 2019

The board of directors of EDICO Holdings Limited (the “**Company**”, the “**Directors**” and the “**Board**”, respectively) announces the unaudited results of the Company and its subsidiaries for the nine months ended 30th June 2019.

This announcement, containing the full text of the 2018/2019 third quarterly report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) in relation to the information to accompany the preliminary announcement of third quarterly results. The printed version of the 2018/2019 third quarterly report of the Company containing the information required by the GEM Listing Rules will be despatched to the shareholders of the Company in due course in the manner as required by the GEM Listing Rules.

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

Hong Kong, 8th August 2019

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

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

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

* For identification purpose only



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

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board 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 (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

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FINANCIAL HIGHLIGHTS

- The Group's unaudited revenue for the nine months ended 30th June 2019 amounted to approximately HK\$45.8 million, decreased by approximately 30.9% as compared to that of the same period in 2018.
- The Group's unaudited gross profit for the nine months ended 30th June 2019 amounted to approximately HK\$18.2 million, decreased by approximately 46.5% as compared to that of the same period in 2018.
- The Group recorded an unaudited net loss of approximately HK\$6.7 million for the nine months ended 30th June 2019, while the Group had a net profit of approximately HK\$1.8 million for the nine months ended 30th June 2018.
- The basic loss per share for the nine months ended 30th June 2019 was HK0.67 cent (2018: basic earnings per share of HK0.21 cent).
- The Board has resolved not to declare the payment of any dividend for the nine months ended 30th June 2019 (2018: Nil).

On 19th December 2018, the Board had recommended the payment of a final dividend of HK\$0.005 per share, amounting to HK\$5 million, in respect of the year ended 30th September 2018 (2017: Nil). Such final dividend had been approved by the Shareholders at the annual general meeting of the Company held on 22nd February 2019 and was paid to the Shareholders on 20th March 2019.

On 9th May 2018, the Board had declared an interim dividend of HK\$0.005 per share, amounting to HK\$5 million, in respect of the six months ended 31st March 2018 (2017: Nil) and such interim dividend was paid to the Shareholders on 27th June 2018.

THIRD QUARTERLY RESULTS

The board of Directors (the “**Board**”) announces the unaudited consolidated financial results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the three months and nine months ended 30th June 2019, together with the relevant comparative unaudited figures.

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

For the three months and nine months ended 30th June 2019

	Notes	For the three months ended 30th June		For the nine months ended 30th June	
		2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Revenue	3	23,303	28,254	45,755	66,288
Cost of services		(13,745)	(13,591)	(27,526)	(32,261)
Gross profit		9,558	14,663	18,229	34,027
Other income		275	73	650	83
Selling and distribution expenses		(1,314)	(792)	(2,429)	(2,607)
Administrative expenses		(7,072)	(7,426)	(23,142)	(27,426)
(Loss)/Profit before tax		1,447	6,518	(6,692)	4,077
Income tax expense	5	—	(1,140)	—	(2,228)
(Loss)/Profit and total comprehensive (loss)/ income for the period attributable to the owners of the Company	6	1,447	5,378	(6,692)	1,849
		HK cent	HK cent	HK cent	HK cent
(Loss)/Earnings per share					
Basic and diluted	8	0.14	0.54	(0.67)	0.21

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30th June 2019

	Attributable to owners of the Company					Total HK\$'000
	Share Capital	Share Premium	Capital Reserve	Merger Reserve	Retained Earnings	
	HK\$'000 (Note i)	HK\$'000 (Note ii)	HK\$'000 (Note iii)	HK\$'000 (Note iv)	HK\$'000	
At 1st October 2018 (audited)	10,000	36,735	5,074	16	33,457	85,282
Loss and total comprehensive loss for the period	—	—	—	—	(6,692)	(6,692)
Dividend paid	—	—	—	—	(5,000)	(5,000)
At 30th June 2019 (unaudited)	10,000	36,735	5,074	16	21,765	73,590
At 1st October 2017 (audited)	—	—	5,074	16	33,720	38,810
Profit and total comprehensive income for the period	—	—	—	—	1,849	1,849
Dividend paid	—	—	—	—	(5,000)	(5,000)
Capitalisation issue of shares	7,500	(7,500)	—	—	—	—
Issuance of shares for initial public offering	2,500	52,500	—	—	—	55,000
Share issue expenses	—	(8,265)	—	—	—	(8,265)
At 30th June 2018 (unaudited)	10,000	36,735	5,074	16	30,569	82,394

Notes:

- (i) The Company is a limited liability company incorporated in the Cayman Islands on 20th May 2016 with an authorised share capital of HK\$380,000 divided into 38,000,000 ordinary shares of HK\$0.01 each. At the date of incorporation, 1 ordinary share was issued, nil paid, to the subscriber.
- (ii) During the nine months ended 30th June 2018, the movements in share premium account were resulted from the capitalisation issue and the initial public offering.
- (iii) The capital reserve of the Group represented the difference between the cost of investment and the issued share capital of a subsidiary.
- (iv) The merger reserve of the Group arose as a result of the reorganisation of the Group in preparation for the listing of the Company's shares (the "Shares") on GEM (the "Listing" and the "Reorganisation", respectively) completed on 16th January 2018 and represented the difference between the nominal value of new shares issued for the exchange of the issued shares of the subsidiary under the Reorganisation and the carrying amount of its share of the subsidiary's own equity items.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30th June 2019

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law of the Cayman Islands and registered as an exempted company with limited liability on 20th May 2016 and its issued Shares were initially listed on GEM on 2nd February 2018 (the **"Listing Date"**). The 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 are presented in Hong Kong Dollars (**"HK\$"**) which is also the functional currency of the Company and all values are rounded to the nearest thousand (**"HK\$'000"**) unless otherwise stated.

Pursuant to the Reorganisation, the Company became the holding company of the companies comprising the Group on 16th January 2018. Details of the Reorganisation are set out under the section headed "History, Reorganisation and Corporate Structure" in the prospectus of the Company dated 23rd January 2018 (the **"Prospectus"**).

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the nine months ended 30th June 2019 (the **"Unaudited Condensed Consolidated Financial Statements"**) have been prepared in accordance with the Hong Kong Financial Reporting Standards (the **"HKFRSs"**) issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the Unaudited Condensed Consolidated Financial Statements are consistent with those adopted in preparing the audited financial statements of the Group for the year ended 30th September 2018.

On 1st October 2018, the Group adopted all the new and revised HKFRSs, amendments and interpretations that were effective from that date and were relevant to its operations. The adoption of these new and revised HKFRSs, amendments and interpretations does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior period.

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



3. REVENUE

Revenue represents the value of financial printing services rendered.

The following is an analysis of the Group's revenue from its financial printing services during the three and nine months ended 30th June 2018 and 2019:

	For the three months ended 30th June		For the nine months ended 30th June	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Listing-related documents	6,982	12,729	17,242	38,384
Periodical reporting documents	12,717	12,496	17,726	17,083
Compliance documents	3,531	2,878	9,110	9,068
Miscellaneous and marketing collaterals (<i>Note</i>)	73	151	1,677	1,753
	23,303	28,254	45,755	66,288

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

4. SEGMENT INFORMATION

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

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

5. INCOME TAX EXPENSE

	For the three months ended 30th June		For the nine months ended 30th June	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax:				
Hong Kong Profits tax	—	1,140	—	2,228

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.

5. INCOME TAX EXPENSE (Continued)

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the nine months ended 30th June 2019.

Hong Kong profits tax is provided at the tax rate of 8.25% on the first HK\$2,000,000 of the estimated assessable profits arising in Hong Kong during the nine months ended 30th June 2018 and at the rate of 16.5% on the remaining of the estimated assessable profits above HK\$2,000,000.

6. (LOSS)/PROFIT AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD

(Loss)/Profit and total comprehensive (loss)/income for the period has been arrived at after charging:

	For the three months ended 30th June		For the nine months ended 30th June	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Employee benefits expense (including Directors' emoluments):				
Salaries and allowances	5,854	6,068	17,747	15,956
Pension scheme contributions	217	219	639	615
	6,071	6,287	18,386	16,571
Depreciation of property, plant and equipment	243	59	557	184
Listing expenses	—	—	—	8,401
Minimum lease payments under operating leases	3,245	2,548	8,918	7,473

7. DIVIDEND

The Board has resolved not to declare the payment of any dividend for the nine months ended 30th June 2019 (2018: Nil).

On 19th December 2018, the Board had recommended the payment of a final dividend of HK\$0.005 per share, amounting to HK\$5 million, in respect of the year ended 30th September 2018 (2017: Nil). Such final dividend had been approved by the shareholders of the Company (the "Shareholders") at the annual general meeting of the Company held on 22nd February 2019 and was paid to the Shareholders on 20th March 2019.

On 9th May 2018, the Board had declared an interim dividend of HK\$0.005 per share, amounting to HK\$5 million, in respect of the six months ended 31st March 2018 (2017: Nil) and such interim dividend was paid to the Shareholders on 27th June 2018.

8. (LOSS)/EARNINGS PER SHARE

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

	For the three months ended 30th June		For the nine months ended 30th June	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
(Loss)/Earnings:				
(Loss)/Profit attributable to owners of the Company for the purpose of calculating basic (loss)/earnings per share	1,447	5,378	(6,692)	1,849
	2019 '000	2018 '000	2019 '000	2018 '000
Number of shares:				
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	1,000,000	1,000,000	1,000,000	886,447
	HK cent	HK cent	HK cent	HK cent
Basic and diluted (loss)/earnings per share	0.14	0.54	(0.67)	0.21

The diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share as there were no dilutive potential ordinary shares outstanding during the nine months ended 30th June 2019 and 2018.

The number of shares for the purpose of calculating basic earnings per share for the three months and nine months ended 30th June 2018 has been adjusted for the effect of the Capitalisation Issue (as defined in the Prospectus) immediately preceding the completion of the Listing.

The weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share for the nine months ended 30th June 2018 has taken into account the assumption that the Capitalisation Issue (as defined in the Prospectus) had been effective on 1st October 2017 and the issuance of Shares upon the initial public offering.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

During the nine months ended 30th June 2019, the Group recorded a decrease in revenue of approximately 30.9% as compared to the same period of last year, which was mainly attributable to the decrease in revenue generated from the listing-related documents segment of approximately HK\$21.2 million from approximately HK\$38.4 million for the nine months ended 30th June 2018 to approximately HK\$17.2 million for the nine months ended 30th June 2019. The Group recorded a loss after tax of approximately HK\$6.7 million for the nine months ended 30th June 2019 as compared with a profit after tax of approximately HK\$1.8 million for the nine months ended 30th June 2018.

We should continue to leverage on the status as one of the listed companies and allocate the net proceeds from the Listing into their predesignated uses as disclosed and detailed in the Prospectus. Along with the enhanced operation facilities and the renovation works completed in our office in Central, Hong Kong, we endeavour to extend our operation capacities, consolidate our customer base and boost our market shares, thereby creating the maximum value for our Shareholders at large.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased from approximately HK\$66.3 million for the nine months ended 30th June 2018 to approximately HK\$45.8 million for the nine months ended 30th June 2019, representing a decrease of approximately 30.9%. Segmentally, revenue generated from the listing-related documents decreased by approximately HK\$21.2 million whereas revenue related to periodical reporting documents increased by approximately HK\$0.6 million and revenue related to compliance documents and miscellaneous and marketing collaterals were relatively stable. The decrease in revenue was mainly due to (i) a significant drop in the revenue generated from handling listing-related documents as a result of a decrease in the number of new customers successfully listed on the Stock Exchange during the nine months ended 30th June 2019; and (ii) an unexpected delay in the progress of certain customers who were applying to be listed on the Stock Exchange due to the market conditions.

Gross profit

The Group's gross profit decreased by approximately 46.5% from approximately HK\$34.0 million for the nine months ended 30th June 2018 to approximately HK\$18.2 million for the nine months ended 30th June 2019. The change was mainly attributable to the decrease in revenue generated from the listing-related documents.

Selling and distribution expenses

The Group's selling and distribution expenses decreased from approximately HK\$2.6 million for the nine months ended 30th June 2018 to approximately HK\$2.4 million for the nine months ended 30th June 2019. The decrease was mainly attributable to the decreases in staff cost and entertainment expenses.

Administrative expenses

The Group's administrative expenses decreased from approximately HK\$27.4 million for the nine months ended 30th June 2018 to approximately HK\$23.1 million for the nine months ended 30th June 2019. The decreases was mainly attributable to the absence of the non-recurring Listing expenses.

Income tax expense

The Group's income tax expense decreased from approximately HK\$2.2 million for the nine months ended 30th June 2018 to approximately HK\$Nil for the nine months ended 30th June 2019. The decrease was mainly attributable to a decrease in revenue resulting in no assessable profits.

(Loss)/Profit for the period

The Group recorded a profit after tax of approximately HK\$1.8 million and a loss after tax of approximately HK\$6.7 million for the nine months ended 30th June 2018 and 2019, respectively. The change was mainly attributable to a decrease in revenue and the incurrence of professional fees for post-listing compliance and Directors' fee after the Listing.

FOREIGN CURRENCY EXPOSURE

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

CAPITAL COMMITMENTS

As at 30th June 2019, apart from the implementation plans, capital needs and financing plans as stated in the sections headed "Future Plans and Use of Proceeds" and "Financial Information" of the Prospectus, the Group had no other new implementation plans or financing plans.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30th June 2019 (30th June 2018: Nil).

DIVIDEND

The Board has resolved not to declare the payment of any dividend for the nine months ended 30th June 2019 (2018: Nil).

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant events requiring disclosure that have occurred after 30th June 2019 and up to the date of this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE OF INTERESTS

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

As at 30th June 2019, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long position in the Shares

Name of Director	Capacity/nature of interest	Number of Shares held	Percentage of interest in the Company
Mr. Chan <i>(Note)</i>	Interest in a controlled corporation	750,000,000	75%

Note: The Company is owned as to 75% 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 interest	Number of shares held	Percentage of interest in the company
Mr. Chan	Achiever Choice	Beneficial owner	1	100%

Save as disclosed above and so far as is known to the Directors, as at 30th June 2019, none of the Directors nor the chief executives of the Company had or was deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

(b) Interests of substantial shareholders of the Company

As at 30th June 2019, so far as is known to the Directors, the following entity (not being a Director or the chief executive of the Company) had, or was deemed to have, interests or short positions (directly or indirectly) in the Shares or underlying Shares that would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long position in the Shares

Name of shareholder	Capacity/nature of interest	Number of Shares held	Percentage of interest in the Company
Achiever Choice (<i>Note</i>)	Beneficial owner	750,000,000	75%

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

Save as disclosed above and so far as is known to the Directors, as at 30th June 2019, 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, interest or short positions in the Shares or underlying Shares that would fall to be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

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

As no share options have been granted by the Company under the Share Option Scheme since its adoption, there was no share option outstanding as at 30th June 2019 and no options were exercised or cancelled or lapsed during the nine months ended that date.

COMPETING INTERESTS

None of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company or any of their respective close associates (as defined in the GEM Listing Rules) had any business or interest in a business that competed or might compete with the business of the Group and any other conflicts of interest which any such person had or might have with the Group during the nine months ended 30th June 2019.

INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Giraffe Capital Limited as its compliance adviser (the “**Compliance Adviser**”). The Compliance Adviser has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules. As notified by the Compliance Adviser, for the nine months ended 30th June 2019 and up to the date of this report, except for the compliance adviser agreement entered into between the Company and the Compliance Adviser concerning the fees payable by the Company to the Compliance Adviser for acting in such capacity, none of the Compliance Adviser or its directors, employees or close associates (as defined in the GEM Listing Rules) had any interests in the securities of the Company or any member of the Group (including options or rights to subscribe for such securities), which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

CODE OF CORPORATE GOVERNANCE PRACTICES

The Company endeavours to adopt prevailing best corporate governance practices. During the nine months ended 30th June 2019, the Company had complied with all the code provisions of the Corporate Governance Code as contained in Appendix 15 to the GEM Listing Rules.

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

During the nine months ended 30th June 2019, the Company did not redeem any of its listed securities, nor did the Company and any of its subsidiaries purchase or sell such securities.

AUDIT COMMITTEE

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

The Audit Committee has reviewed the unaudited consolidated results of the Company for the nine months ended 30th June 2019 and this report and is of the opinion that such results have been prepared in compliance with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

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

Hong Kong, 8th August 2019

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.