

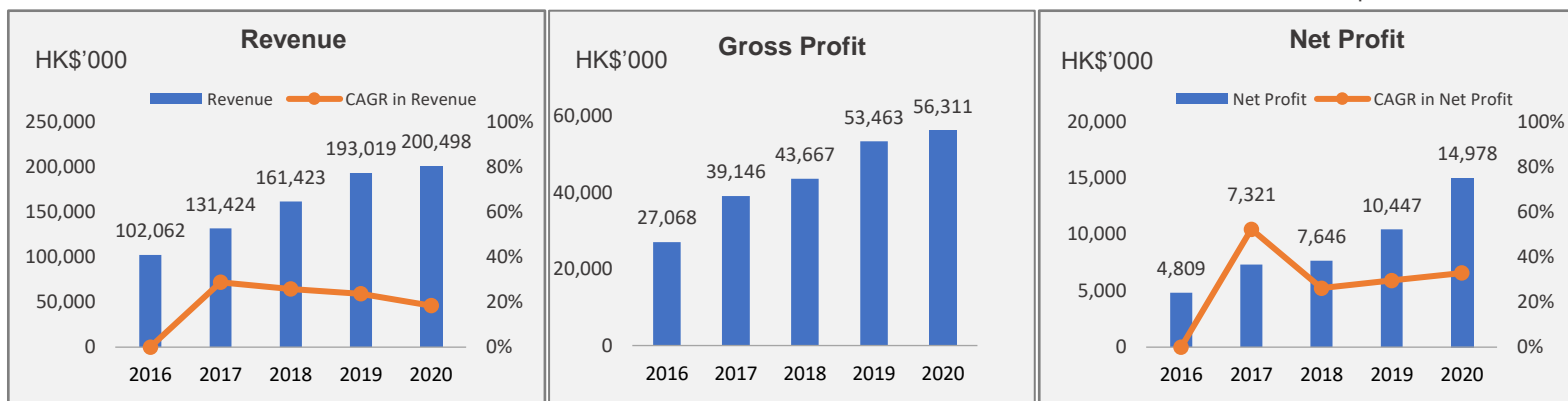
Edvance International (1410.HK) Investment Highlights

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 Provided by PRise Limited

Edvance International announces FY2020/21 interim results. Net profit surges by more than 40%. Cash flow remains stable

- Edvance International announced its interim results for the six months ended 30 September 2020. During the Period, the Group recorded a total revenue of approximately HK\$200.5 million, up 3.9% year-on-year. Gross profit increased by 5.2% to approximately HK\$56.3 million; gross profit margin edged up 0.4% to 28.1%. Profit attributable to owners of the company surged by 44.2% to approximately HK\$15.0 million; Net profit margin was 7.47%. Earnings per share was 1.49 HK cents. The Company shall not pay any dividend.
- During the period, net cash generated (used in) from operating activities was significantly improved from an outflow of HK\$3.04 million last year to an inflow of HK\$37.12 million. Cash flow was robust and main business performed steadily.

Note: For the six months ended September 30



Core business recorded a steady growth amidst the challenging environment while self-developed email security brand has begun to take shape

- As the leading value-added distributor of cybersecurity solutions in Hong Kong, Edvance International remains a solid position and industry competitiveness in cybersecurity. During the Period, the Group's traditional core business, namely distribution of cybersecurity products, as well as implementation, maintenance and support of security technology maintained an aggressive growth.
- The core business grow steadily despite the challenging market environment: revenue of IT security products segment increased by approximately 4.0% year-on-year to HK\$110.23 million, accounting for approximately 55.0% of the Group's total revenue; IT security services segment's income rose by 3.8% year-on-year to HK\$90.27 million, accounting for 45% of the total revenue.
- To enhance the solutions portfolio offering in remote business operation, the Group announced to establish distribution partnership with BlackBerry in late April, to offer a brand-new terminal security integration terrace – BlackBerry Spark® Platform, which combines artificial intelligence, machine learning and automation to resist advanced cyber threats. In addition, the Group established a strategic collaboration with NeuVector to provide a more comprehensive DevSecOps (development, security and operations) solutions.

Edvance International (1410.HK) — Investment Highlights (cont'd)

- The self-developed email security brand, Green Radar, has also witnessed a growing success. The Group observed increased onboarding of Green Radar services, either by direct purchase or reseller partners referral. The newly established Hong Kong office and Security Operation Center (SOC) extended the Group's services across Asia. Green Radar offers advanced cybersecurity services at an affordable cost which is a practical option to the small and medium enterprises as well as major telecom providers who need to provide email security services to their users.

COVID-19 pandemic creates strong demand for cybersecurity; forge ahead with diversified investment strategy

- Although the current environment remains challenging, the Group remains optimistic about its core business and investment prospects. The pandemic-induced transformation leads to an acceleration of the development of applied technology and virtualization. Remote business has become an irreversible market trend and consequently boost the demand of enterprise and individual users for cybersecurity, which are beneficial to the growth of the Group's core business. Therefore, the Group will continue to deploy resources to capture the market opportunity.
- Leverage on the leading position and technological advantages in the cybersecurity, the Group has formulated a series of diversified investment strategies. The Group incorporated Axion Global Investment Limited ("Axion Global") as its investment and incubation arm, while announced the acquisition of Royston Financial Group Limited ("Royston Financial") in August with an aim to expand its financial services portfolio. The Group can carry out investment holdings and financial sectors services, and take this opportunity to promote business and investment portfolio diversification via Axion Global and Royston Financial.
- During the Period, the Group intended to enter the financial services market through strategic investment strategy to further enhance its business structure and asset portfolio. The Group will continue to rely on its advanced technology and resources to provide high-standard cybersecurity solutions for financial technology companies especially virtual asset trading.

Build up the "Technology Investment Ecosystem"

- With Axion Global as the Group's investment and incubation project department, coupled with the acquisition of the "Wepro 180" media and community platform, the Group strives to create an eco-system for cybersecurity field and are equipped with full resources coverage including cybersecurity know-how, technical product and service, media community, incubation and investment platform.
- Edvance International will continue to invest in and incubate more promising technology projects through its indirect wholly-owned subsidiary Axion Global, which will contribute positively to the cybersecurity landscape, and thus to the Group's long-term success.

Edvance International (1410.HK) — Investment Highlights (cont'd)

- As an institution licensed by the SFC, Royston Financial will assist the Group in financing technology projects in order to expand the Group's business portfolio, as well as establish its own "Technology Investment Ecosystem" to enhance and consolidate its core competitiveness.
- On 25 August, the Group's indirect wholly-owned subsidiary Axion Global has entered into a MOU (Memorandum of Understanding) with Hong Kong Digital Asset Ex Limited ("HKbitEX"), a leading regulated virtual asset platform in Hong Kong, for the possible subscription of US\$3 million of share capital of Series A2 Preferred Shares as the lead investor of the corresponding Series of Shares. Headquartered in Hong Kong, HKbitEX integrates financial technology (Fintech) and regulatory technology (RegTech). It is one of the first organizations in the Asia-Pacific region to apply for a virtual asset trading platform license from the SFC. Its core team is strong in tracking and interpreting asset regulatory policies which brings great value to the company.
- The license of the virtual asset trading platform issued by the SFC reflects its intention to provide an alternative listing channel for companies. The demand of cybersecurity to this market is expected to increase accordingly. As the leading cybersecurity company in Hong Kong, Edvance International will continue to leverage on its unique advantages in rich technology resources and experience to further explore business opportunities in the financial technology sector, especially the potential demand for cybersecurity in STO (Security Token Offering) segment.



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