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EDVANCE INTERNATIONAL HOLDINGS LIMITED

安領國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1410)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

FINANCIAL HIGHLIGHTS

The Group's revenue amounted to approximately HK\$410.5 million for the year ended 31 March 2021, representing an increase of approximately HK\$16.2 million or approximately 4.1% as compared to approximately HK\$394.3 million for the year ended 31 March 2020.

Profit attributable to owners of the Company was approximately HK\$34.7 million for the year ended 31 March 2021, representing an increase of approximately HK\$11.4 million or approximately 48.8% as compared to profit attributable to owners of the Company of approximately HK\$23.3 million for the year ended 31 March 2020.

The Board has recommended a final dividend of HK\$0.01 per share subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) is pleased to present the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”, “**our Group**”, “**we**” or “**our**”) for the year ended 31 March 2021 (“**FY2021**”), together with the comparative audited figures for the preceding financial year ended 31 March 2020 (“**FY2020**”), as follow:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For FY2021

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue	3	410,505	394,330
Cost of sales		(286,492)	(289,490)
Gross profit		124,013	104,840
Other income		886	1,073
Other gains and losses, net		1,176	(44)
Distribution and selling expenses		(27,688)	(24,807)
Administrative and other expenses		(53,421)	(48,492)
Net impairment losses under expected credit loss model		(437)	(93)
Finance costs		(1,347)	(1,459)
Profit before taxation		43,182	31,018
Taxation	5	(8,925)	(7,674)
Profit for the year	6	34,257	23,344
Other comprehensive income (expense) for the year:			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		129	(596)
Total comprehensive income for the year		34,386	22,748
Profit (loss) for the year attributable to:			
Owners of the Company		34,739	23,344
Non-controlling interests		(482)	–
		34,257	23,344
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		34,868	22,748
Non-controlling interests		(482)	–
		34,386	22,748
Earnings per share (<i>HK cents</i>)	7		
– basic and diluted		3.46	2.33

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2021

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Non-current assets			
Property and equipment		56,173	50,193
Deposits paid for acquisition of property and equipment		3,941	–
Goodwill		3,216	–
Intangible assets		6,228	–
Financial assets at fair value through profit or loss (“FVTPL”)	8	23,264	–
Deferred tax assets		710	–
Prepayments and deposits	9	51,140	44,299
		144,672	94,492
Current assets			
Inventories		4,832	8,395
Loan receivable		4,791	–
Trade and other receivables, prepayments and deposits	9	139,155	154,754
Tax recoverable		21	20
Contract assets		4,996	4,782
Financial assets at FVTPL	8	13,021	–
Bank balances and cash		73,383	73,559
		240,199	241,510
Current liabilities			
Trade and other payables and accruals	10	39,930	50,503
Lease liabilities		8,005	5,171
Contract liabilities		106,762	91,785
Bank borrowings		2,491	3,530
Tax liabilities		4,937	3,607
		162,125	154,596
Net current assets		78,074	86,914
Total assets less current liabilities		222,746	181,406

	<i>Note</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Non-current liabilities			
Lease liabilities		10,236	6,762
Contract liabilities		47,595	42,171
Bank borrowings		19,711	19,559
Deferred tax liabilities		1,028	–
		<u>78,570</u>	<u>68,492</u>
Net assets		<u>144,176</u>	<u>112,914</u>
Capital and reserves			
Share capital	11	10,049	10,014
Reserves		129,809	102,900
		<u>139,858</u>	<u>112,914</u>
Equity attributable to owners of the Company		139,858	112,914
Non-controlling interests		4,318	–
		<u>144,176</u>	<u>112,914</u>
Total equity		<u>144,176</u>	<u>112,914</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For FY2021

1. GENERAL

Edvance International Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. Its ultimate and immediate holding company is Success Vision International Group Limited, which is incorporated in the British Virgin Islands.

The address of the registered office and principal place of business of the Company are Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands and 39th Floor, Monetary Plaza, 15 Chong Yip Street, Kwun Tong, Kowloon, Hong Kong respectively.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual period beginning on or after 1 April 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

Except as described below, the application of the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the amendments to HKFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKAS 1 and HKAS 8 Definition of Material

The Group has applied the Amendments to HKAS 1 and HKAS 8 for the first time in the current year. The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity”. The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current year had no impact on the consolidated financial statements.

Impacts on application of Amendments to HKFRS 3 Definition of a Business

The Group has applied the amendments for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis.

The application of the amendments had no impact on the consolidated financial statements in the current year as similar conclusion would have been reached without applying the optional concentration test.

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts and the related Amendments ⁵
Amendments to HKFRS 3	Reference to the Conceptual Framework ⁴
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁶
Amendment to HKFRS 16	COVID-19-Related Rent Concessions ¹
Amendment to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021 ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ⁵
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ⁵
Amendments to HKAS 8	Definition of Accounting Estimates ⁵
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ⁵
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ⁴
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ⁴
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 ⁴

¹ Effective for annual periods beginning on or after 1 June 2020

² Effective for annual periods beginning on or after 1 January 2021

³ Effective for annual periods beginning on or after 1 April 2021

⁴ Effective for annual periods beginning on or after 1 January 2022

⁵ Effective for annual periods beginning on or after 1 January 2023

⁶ Effective for annual periods beginning on or after a date to be determined

Except for the amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKFRS 3 Reference to the Conceptual Framework

The amendments:

- update a reference in HKFRS 3 Business Combinations so that it refers to the Conceptual Framework for Financial Reporting 2018 issued in June 2018 (the “**Conceptual Framework**”) instead of Framework for the Preparation and Presentation of Financial Statements (replaced by the Conceptual Framework for Financial Reporting 2010 issued in October 2010);
- add a requirement that, for transactions and other events within the scope of HKAS 37 Provisions, Contingent Liabilities and Contingent Assets or HK(IFRIC)-Int 21 Levies, an acquirer applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and
- add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The Group will apply the amendments prospectively to business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 April 2022. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 Interest Rate Benchmark Reform – Phase 2

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 Interest Rate Benchmark Reform – Phase 2 relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements and disclosure requirements applying HKFRS 7 Financial Instruments: Disclosures to accompany the amendments regarding modifications and hedge accounting.

- Modification of financial assets, financial liabilities and lease liabilities

A practical expedient is introduced for modifications required by the reform (modifications required as a direct consequence of the interest rate benchmark reform and made on an economically equivalent basis). These modifications are accounted for by updating the effective interest rate. All other modifications are accounted for using the current HKFRSs requirements. A similar practical expedient is proposed for lessee accounting applying HKFRS 16;

- Hedge accounting requirements

Under the amendments, hedge accounting is not discontinued solely because of the interest rate benchmark reform. Hedging relationships (and related documentation) are required to be amended to reflect modifications to the hedged item, hedging instrument and hedged risk. Amended hedging relationships should meet all qualifying criteria to apply hedge accounting, including effectiveness requirements; and

- Disclosures

The amendments require disclosures in order to allow users to understand the nature and extent of risks arising from the interest rate benchmark reform to which the Group is exposed to and how the entity manages those risks as well as the entity’s progress in transitioning from interbank offered rates to alternative benchmark rates, and how the entity is managing this transition.

As at 31 March 2021, the Group has several Singapore Interbank Offered Rate bank borrowings which will or may be subject to interest rate benchmark reform. The Group expects no significant gains or losses should the interest rate benchmark for these loans change resulting from the reform on application of the amendments.

3. REVENUE

Revenue represents the fair value of amounts received and receivable for goods sold and services provided by the Group to outside customers, less discounts and sales related taxes for the year.

Revenue from goods and services

An analysis of the Group's revenue from goods and services by segment for the year is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Types of goods or services:		
Cybersecurity products business*		
– procurement of network security products, system security products and application and data security products	<u>219,228</u>	<u>225,268</u>
Cybersecurity services business*		
– provision of technical implementation services	<u>34,489</u>	30,887
– provision of maintenance and support services	<u>156,683</u>	<u>138,175</u>
	<u>191,172</u>	<u>169,062</u>
Financial services and investment business*		
– provision of financial services	<u>105</u>	–
	<u>410,505</u>	<u>394,330</u>

* The segment names are defined in the section “Segment information” in note 4.

4. SEGMENT INFORMATION

Segment revenue and results

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resources allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

During FY2021, the Group commenced the business engaging in Financial services and investment business along with the acquisition of Axion Global Financial Group Limited (formerly known as Royston Financial Group Limited) and its subsidiaries, and it is considered as a new operating and reportable segment by the CODM. Upon the commencement of Financial services and investment business, the Group reorganised its information reported to the executive directors of the Company and, accordingly, resulted in changes to the presentation of its operating and reportable segments on the Group's segment results and the Group's segment assets and liabilities. Figures in the segment information for FY2020 have been restated for comparative purposes.

The Group's reportable and operating segments are therefore as follows:

- (1) Cybersecurity products business refers to the procurement of network security products, system security products and application and data security products by the Group;
- (2) Cybersecurity services business refers to the provision of technical implementation and maintenance and support services to customers by the Group; and
- (3) Financial services and investment business refers to the provision of financial services to customers, venture investment and securities trading by the Group.

An analysis of the Group's operating and reportable segment revenue and segment results is as below:

	Cybersecurity products business <i>HK\$'000</i>	Cybersecurity services business <i>HK\$'000</i>	Financial services and investment business <i>HK\$'000</i>	Total <i>HK\$'000</i>
For FY2021				
Segment revenue	<u>219,228</u>	<u>191,172</u>	<u>105</u>	<u>410,505</u>
Segment results	<u>63,446</u>	<u>60,427</u>	<u>(1,454)</u>	<u>122,419</u>
Other income				886
Unallocated other gains and losses, net				(215)
Unallocated distribution and selling expenses				(26,985)
Unallocated administrative and other expenses				(51,276)
Impairment losses recognised on loan receivable				(300)
Finance costs				<u>(1,347)</u>
Profit before taxation				<u>43,182</u>
	Cybersecurity products business <i>HK\$'000</i>	Cybersecurity services business <i>HK\$'000</i>		Total <i>HK\$'000</i>
For FY2020 (represented)				
Segment revenue	<u>225,268</u>	<u>169,062</u>		<u>394,330</u>
Segment results	<u>56,384</u>	<u>48,363</u>		104,747
Other income				1,073
Other gains and losses, net				(44)
Unallocated distribution and selling expenses				(24,807)
Unallocated administrative and other expenses				(48,492)
Finance costs				<u>(1,459)</u>
Profit before taxation				<u>31,018</u>

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment results represent the profit earned by loss from each segment without allocation of other income, certain other gains and losses, certain distribution and selling expenses, certain administrative and other expenses, impairment losses recognised on loan receivable, finance costs and taxation.

5. TAXATION

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current tax:		
Hong Kong Profits Tax	9,441	7,319
People's Republic of China ("PRC") Enterprise Income Tax ("EIT")	–	11
Macau Complementary Tax	269	491
	<u>9,710</u>	<u>7,821</u>
Overprovision in respect of prior year:		
Hong Kong Profits Tax	(75)	(147)
Deferred tax credit	(710)	–
	<u>8,925</u>	<u>7,674</u>

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% for FY2020. No provision of PRC EIT was made for FY2021 as the subsidiaries in the PRC have incurred tax losses.

Macau Complementary Tax is calculated at the maximum progressive rate of 12% on the estimated assessable profit for both years.

The Singapore Income Tax is determined by applying the Singapore tax rate of 17%. No provision of Singapore Income Tax was made as the subsidiaries in Singapore have incurred tax losses for both years.

6. PROFIT FOR THE YEAR

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit for the year has been arrived at after charging:		
Staff costs*:		
Directors' remuneration	11,501	9,708
Other staff costs	52,775	46,613
Share-based payments	2,093	363
Contributions to retirement benefits schemes	2,596	2,730
	<u>68,965</u>	<u>59,414</u>
Auditor's remuneration	1,440	1,350
Cost of inventories recognised as an expense (including the allowance for inventories of approximately HK\$2,338,000 (2020: HK\$2,690,000))	155,665	168,821
Depreciation of right-of-use assets	6,757	5,075
Depreciation of other property and equipment	4,694	3,817
Depreciation of property and equipment	<u>11,451</u>	<u>8,892</u>
Transfer of listing and related expenses (included in administrative and other expenses)	–	7,923
Net impairment losses on trade receivables	117	63
Net impairment losses on contract assets	20	30
Impairment losses recognised on loan receivable	300	–
Net impairment losses under expected credit loss model	<u>437</u>	<u>93</u>

* For FY2021, COVID-19 related government grants/assistance amounted to approximately HK\$4,562,000 have been offset against staff costs.

7. EARNINGS PER SHARE

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit for the year attributable to owners of the Company for the purpose of calculating basic and diluted earnings per share	<u>34,739</u>	<u>23,344</u>
	2021 <i>Number of shares '000</i>	2020 <i>Number of shares '000</i>
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	<u>1,003,345</u>	<u>1,001,446</u>

The computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price of the Company's shares for both years.

8. FINANCIAL ASSETS AT FVTPL

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Listed equity investments in Hong Kong and the United States	13,021	–
Unlisted preference shares of Tykhe Capital Group Limited (“Tykhe”)	<u>23,264</u>	<u>–</u>
	<u>36,285</u>	<u>–</u>
Analysed for reporting purposes as:		
Non-current assets	23,264	–
Current assets	<u>13,021</u>	<u>–</u>
	<u>36,285</u>	<u>–</u>

During FY2021, the Group has invested in several listed equity investments in Hong Kong and the United States. Such investments are classified as financial assets at FVTPL. The fair value is measured at level 1 which is based on quoted bid prices in an active market.

During FY2021, the Group has also completed the subscription of the United States Dollar 3 million of share capital of series A2 preference shares of Tykhe which represents approximately 6% enlarged issued shares of Tykhe after the investments by all series A2 preference shares investors. The investment is classified as financial assets at FVTPL.

9. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current		
Trade receivables	68,528	87,746
Less: allowance for credit losses	<u>(800)</u>	<u>(683)</u>
	67,728	87,063
Prepayment to suppliers for maintenance and support services	69,264	65,851
Receivables with broker's house	53	–
Other tax receivables	377	18
Prepayment and others	<u>1,733</u>	<u>1,822</u>
	<u>139,155</u>	<u>154,754</u>
Non-current		
Rental deposits	3,494	2,047
Deposits for life insurance contracts	13,517	13,177
Prepayment of life insurance charged	413	454
Prepayment to suppliers for maintenance and support services	<u>33,716</u>	<u>28,621</u>
	<u>51,140</u>	<u>44,299</u>
Total trade and other receivables, prepayments and deposits	<u><u>190,295</u></u>	<u><u>199,053</u></u>

The following is an ageing analysis of trade receivables, net of allowance for credit losses, presented based on the invoice date at the end of the reporting period:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0 to 30 days	38,519	45,979
31 to 60 days	16,713	20,628
61 to 90 days	4,095	9,987
91 to 120 days	4,199	4,905
121 to 365 days	<u>4,202</u>	<u>5,564</u>
	<u><u>67,728</u></u>	<u><u>87,063</u></u>

10. TRADE AND OTHER PAYABLES AND ACCRUALS

The following is an analysis of trade and other payables and accruals:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade payables	29,329	41,856
Accrued expense	3,133	2,761
Accrued staff costs	7,035	5,555
Others	433	331
	<u>39,930</u>	<u>50,503</u>

The credit period ranges from 30 to 60 days. The following is an ageing analysis of trade payables presented based on the invoice date.

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0 to 30 days	24,394	35,408
31 to 60 days	4,830	1,054
61 to 90 days	90	–
91 to 120 days	4	392
121 to 365 days	11	19
Over 365 days	–	4,983
	<u>29,329</u>	<u>41,856</u>

11. SHARE CAPITAL

Details of the shares of the Company are as follows:

	<i>Number of shares</i>	<i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2019, 31 March 2020 and 31 March 2021	2,000,000,000	20,000
Issued and fully paid:		
At 1 April 2019 and 31 March 2020	1,001,446,000	10,014
Issue of shares under share award scheme (<i>Note</i>)	3,500,000	35
At 31 March 2021	1,004,946,000	10,049

Note: On 15 September 2020, 3,500,000 new ordinary shares of the Company were issued to four eligible employees under share award scheme at no consideration. The aggregate value of the share award was approximately HK\$2,030,000 based on the closing share price of the Company as at 3 September 2020 of HK\$0.58 each. The par value of the respective shares was approximately HK\$35,000. The difference of approximately HK\$1,995,000 between share award value and the par value of the shares have been credited to share premium.

All issued shares of the Company rank pari passu in all respects with each other.

12. DIVIDEND

A final dividend of HK\$0.01 per share of the Company in respect of FY2021 has been proposed by the directors of the Company, which is subject to approval by the shareholders of the Company at the forthcoming annual general meeting of the Company.

A final dividend of HK\$0.01 per share of the Company in respect of FY2020 has been declared and paid by the Company during FY2021.

A final dividend of HK\$0.03 per share of the Company in respect of the year ended 31 March 2019 has been declared and paid by the Company during FY2020.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Resilient growth in core businesses – Cybersecurity products and services

Our core businesses showed strong resilience and growth for the year ended 31 March 2021 (“FY2021”), recording an increase in cybersecurity businesses revenue of approximately 4.1% year-on-year on the back of increasing demand for cybersecurity solutions and improved operational optimisation. With disciplined cost expenditure coupled with a higher profit margin of our cybersecurity services business, it led to an increase in profit attributable to owners of the Company of approximately 48.8% for FY2021.

Leading global cybersecurity vendors continue to entrust distribution and implementation of their product portfolio with Edvance Technology (Hong Kong) Limited, and we increased our product offering with the addition of three solutions from cybersecurity vendors this year to cater the evolving need of our customers. On the services side, recognising the need for many of our customers to adapt their business processes to be more digitised and agile, we have reshaped the way we deliver cybersecurity services and implementations. The creation of ESH (Hong Kong) Limited (“ESH”) as a separate business unit to focus on providing security service offerings is designed to create differentiation with our competitors.

We also made great strides in our Green Radar brand (“Green Radar”) as a security service business this year. Our investment in research and development (“R&D”) is starting to pay off with our proprietary malicious email detection AI engine and the managed detection and response set up. More customers rely on Green Radar to protect their company from email and phishing attacks. With the development of our channel sales model, there is strong traction in making the service more accessible to small and medium sized enterprise customers.

Laying Foundation for Future Growth – Financial services and investment business

This year had been pivotal in many respects for the Group. With the steady growth in our core businesses, we continued to make several strategic investments this year to ensure the Group’s long-term success. The Group increased the number of new staff by 38 in FY2021, with the majority of new staff in the cybersecurity services business, and financial services and investment business. In addition to the re-organisation of our cybersecurity services business, we laid the foundation for the growth of our financial services and investment business with an increase in investment of approximately HK\$35 million funded by our operating cash flow.

The establishment of Axion Global Digits Technology (Hong Kong) Limited demonstrates our commitment to building a digital future in fintech. We believe that our investment in the holding company of Hong Kong Digital Asset Ex Limited (“HKbitEX”) this year provided the Group with a platform to take first-mover advantage in the digital assets ecosystem, and the rebranding of Royston Securities Limited, an 60% indirect owned subsidiary of the Company, to Axion Global Asset Management Limited (“AGAM”) is another example of the Group’s plan to leverage our technological expertise to transform the traditional asset management business. We have also established Axion Global Innovation Centre Limited (“AGIC”), an in-house research and development division to build the core enabling technologies for financial technology.

OUTLOOK

The Group is optimistic about the business outlook for the year ending 31 March 2022 (“FY2022”) as the underlying digitisation trends continue unabated, despite the challenges posed by the pandemic and geopolitical tensions. As digitisation impacts companies across various industry sectors, cybersecurity will remain an issue high on many companies’ agendas. In addition to the broad cybersecurity opportunities, we believe the Group is uniquely positioned to take advantage of the transformation that is impacting the financial services segment, with security and trust being a crucial differentiator in digital finance. We are confident that our industry insight and the investments we have made will position the Group for solid growth ahead.

Accelerate cybersecurity solutions adoption

The Company sees ample runway for our cybersecurity businesses. Many organisations do not have the in-house resources or expertise to maintain adequate cybersecurity, leaving their businesses at risk of attacks. Effective cybersecurity must evolve beyond traditional appliance products as there is a need for organisations to constantly upgrade, monitor and optimise their infrastructure to fend off the latest cyber threats.

Riding on our extensive network of global solution providers and partners, and applying the success we have seen with Green Radar in delivering email security protection via a security-as-a-service approach, we firmly believe the company can help businesses to accelerate the adoption of cybersecurity solutions by making them more accessible and cost-efficient for our customers to deploy. Our cybersecurity services business ESH is well positioned to capitalise on the security-as-a-service model for its focused service domains in (i) application and data security, (ii) identity and access management and (iii) network security. The investment we made in the two security operation centers in Hong Kong and Singapore is scalable to support ESH with a managed detection and response setup that underpins the security-as-a-service approach.

We are committed to drive the adoption of effective cybersecurity solutions for companies of all sizes and believe it will present the Group with substantial growth opportunities in the future.

Digital asset ecosystem taking shape

With the digital transformation disrupting the financial services and investment segment, the Group sees vast opportunities in taking a first mover position in the emerging digital asset ecosystem. Many regulators, including those in Hong Kong, have issued regulations on virtual asset service providers, we believe that such regulations pave the way for the growth and development of the digital asset ecosystem.

Our three pronged approach of venture investment, asset management, and innovation is enabling the Group to capture value for our shareholders.

Venture investment

The Group will continue to invest in ventures that will provide synergy to our financial services and investment business, particularly in the digital asset domain. Our long term investment in HKbitEX, a leading digital asset exchange, provided the Group with a leading view on the development of digital asset ecosystem, and it has set the tone for similar investments in the future.

Asset management

The acquisition of AGAM, will accelerate the Group's intention to develop the digital asset management business. AGAM has notified the Securities and Futures Commission ("SFC") in Hong Kong of our intention to manage funds that specialise in virtual assets and we are optimistic to launch virtual asset funds in FY2022.

Innovation

As with any technology business, we are committed to developing our proprietary technologies and services for our financial services and investment business. The long term goal is to incubate companies that will disrupt the traditional financial technology value chain as the digital asset ecosystem evolves. As a demonstration of our commitment to R&D, AGIC has relocated to a new office at the FinTech Centre of the Hong Kong Science and Technology Parks Corporation, taking advantage of the network and expertise to create disruptive fintech services. Among the existing innovation projects, DocuRoom, a next generation secured virtual document portal for the virtual asset market, has started the internal trial run and is expected to launch in the second half of the calendar year 2021.

Conclusion

The strategic moves that the Group have made in FY2021 has laid the foundation for the continued growth of our key businesses. The Group believes that our strengthened R&D capability would create synergy among all business lines, fortify our existing leadership position in cybersecurity and pave the way to capture returns that our fintech and digital asset management businesses could bring to the Group and our shareholders in the future.

FINANCIAL REVIEW

Revenue

Our revenue increased by approximately HK\$16.2 million, or approximately 4.1% from approximately HK\$394.3 million for the year ended 31 March 2020 ("FY2020") to approximately HK\$410.5 million for FY2021. The increase was mainly attributable to the increase in cybersecurity services business which comprises technical implementation services and maintenance and support services, as a result of increasing cybersecurity services demand.

Gross profit and gross profit margin

Our gross profit increased by approximately HK\$19.2 million, or approximately 18.3% from approximately HK\$104.8 million for FY2020 to approximately HK\$124.0 million for FY2021. Our gross profit margin increased by approximately 3.6% from approximately 26.6% for FY2020 to approximately 30.2% for FY2021. The increases in both gross profit and gross profit margin were attributable to the growth of cybersecurity services segment with higher profit margin.

Other income

Our other income mainly comprises bank interest income and interest income from rental deposit, loan receivable and deposits for life insurance contracts that we purchased for certain directors of the Company and senior management of the Group.

Other gains and losses, net

Our other gains and losses mainly comprise net foreign exchange gain or loss and fair value change on financial assets at fair value through profit or loss (“FVTPL”). Gain on fair value change on financial assets at FVTPL of approximately HK\$1.4 million (FY2020: Nil) incurred in FY2021 which was slightly offset by net foreign exchange loss of approximately HK\$0.2 million (FY2020: net foreign exchange gain of approximately HK\$0.2 million) as a result of the fluctuation of United States Dollars, Renminbi and Singapore Dollars.

Distribution and selling expenses

Our distribution and selling expenses increased by approximately HK\$2.9 million, or approximately 11.6% from approximately HK\$24.8 million for FY2020 to approximately HK\$27.7 million for FY2021. The increase was mainly due to increase in staff costs and marketing expenses.

Administrative and other expenses

Our administrative and other expenses increased by approximately HK\$4.9 million, or approximately 10.2% from approximately HK\$48.5 million for FY2020 to approximately HK\$53.4 million for FY2021. The increase was mainly due to increase in staff costs.

Finance costs

Our finance costs decreased by approximately HK\$0.1 million, or approximately 7.7% from approximately HK\$1.5 million for FY2020 to approximately HK\$1.4 million for FY2021. The decrease was mainly attributable to decrease in interest on bank borrowings as a result of decrease in interest rate.

Taxation

Our taxation increased by approximately HK\$1.2 million, or approximately 16.3% from approximately HK\$7.7 million for FY2020 to approximately HK\$8.9 million for FY2021. The increase was mainly due to higher taxable profit in FY2021 as a result of increased gross profit.

Profit for the year attributable to owners of the Company

The profit attributable to owners of the Company for FY2021 was approximately HK\$34.7 million, which increased by approximately HK\$11.4 million or approximately 48.8% from approximately HK\$23.3 million for FY2020. The increase was mainly attributable to increase in revenue and gross profit.

Cash flow

The net cash generated from operating activities decreased by approximately HK\$7.5 million from approximately HK\$42.4 million in FY2020 to approximately HK\$34.9 million in FY2021, representing a decrease of 17.7%. The decrease in cash generated was mainly attributable to investment in financial assets at FVTPL by financial services and investment business in FY2021.

Dividend

The Board recommends the payment of a final dividend of HK\$0.01 per share for FY2021 (FY2020: HK\$0.01 per share).

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

We financed our operation mainly through cash generated from our operating activities. As at 31 March 2021 and 2020, we had cash and cash equivalents of approximately HK\$73.4 million and HK\$73.6 million respectively. The Group's gearing ratio was approximately 28.1% and 31.0% as at 31 March 2021 and 2020 respectively.

CAPITAL STRUCTURE

As at 31 March 2021, the capital structure of the Company comprised issued share capital and reserves.

CAPITAL COMMITMENTS

As at 31 March 2021, the Group had significant capital commitment in respect of property and equipment contracted but not provided for were approximately HK\$25.3 million (as at 31 March 2020: Nil).

SEGMENT INFORMATION

An analysis of the Group's revenue from operating and reportable segment is set out in note 4 of the consolidated financial statements in this announcement.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

The Group does not have plans for material investments and capital assets as at 31 March 2021.

SIGNIFICANT INVESTMENTS

As at 31 March 2021, the financial assets at FVTPL of the Group amounted to approximately HK\$36.3 million (31 March 2020: Nil), including (a) unlisted investment of approximately HK\$23.3 million (31 March 2020: Nil); and (b) equity securities of approximately HK\$13.0 million (31 March 2020: Nil).

The Directors considered that (i) investments with a carrying amount that account for more than 5% of the Group's audited total assets as at 31 March 2021; or (ii) investments which recorded realised or unrealised gain/(loss) of over HK\$5 million during the reporting period as significant investments.

Description of investments	Notes	Carrying	Acquisition	Fair value	Carrying	Percent to
		amount	and	gain and	amount	the Group's
		as at	disposal,	gain on	as at	audited
		1 April	net	disposal	31 March	total assets
		2020	during	in profit	2021	as at
		HK\$'000	year	and loss	HK\$'000	31 March
			HK\$'000	HK\$'000		2021
Financial assets at FVTPL						
Unlisted investment, at fair value	(a)	–	23,264	–	23,264	6.05%
– investment in the holding company of HKbitEX						
Equity securities listed in Hong Kong and the United States	(b)	–	11,630	1,391	13,021	3.38%
Total		–	34,894	1,391	36,285	9.43%

Notes:

- (a) This unlisted investment represented approximately 6% of issued shares (on an as-converted basis) of the Tykhe Capital Group Limited (“Tykhe”), which was completed on 7 December 2020 and was held for an identified long term strategic purpose and the Group does not intend to dispose such shares in the foreseeable future.

Tykhe was established in July 2018 and principally engaged in the operation of a virtual asset trading exchange through its wholly owned subsidiary, HKbitEX. HKbitEX is headquartered in Hong Kong and was one of the first applicants which applied to the SFC for dealing in securities (Type 1) and automated trading services (Type 7) licences for the purpose of a virtual asset trading platform, which will enable them to offer regulated virtual asset trading services to global professional and institutional investors.

As at 31 March 2021, the fair value of this unlisted investment was approximately HK\$23.3 million based on the valuation report prepared by a professional valuer.

- (b) As at 31 March 2021, the Group's held 46 different types of equity securities listed in Hong Kong and the United States. Each of such investments had a carrying amount that account for (i) less than 5% of the Group's audited total assets as at 31 March 2021; and (ii) each of such investment did not record a realised or unrealised gain/(loss) of over HK\$5 million during FY2021.

ACQUISITION OF PROPERTIES

On 26 January 2021, Edvance Property Investment (Hong Kong) Limited (“**EPIHK**”), an indirect wholly-owned subsidiary of the Company, entered into the provisional sale and purchase agreement (“**Provisional Agreement**”) with Right Union Development Limited (“**Right Union**”), an independent third party, pursuant to which EPIHK had conditionally agreed to acquire, and Right Union had conditionally agreed to sell, shop A and flat roof A, 10th floor, Monterey Plaza, No.15 Chong Yip Street, Kwun Tong, Kowloon, Hong Kong (“**Properties**”) at the consideration of HK\$25,791,757 (“**Properties Acquisition**”). In accordance with the terms and conditions of the Provisional Agreement, on 8 February 2021, EPIHK and Right Union entered into the formal sale and purchase agreement (“**Formal Agreement**”) in respect of the Properties Acquisition on the same principal terms as set out under the Provisional Agreement.

On 4 May 2021, all the terms and conditions of the Formal Agreement, had been fulfilled and completion of the Properties Acquisition took place with immediate effect. Upon completion of the Properties Acquisition, EPIHK had become the sole owner of the Properties. Further details of the Properties Acquisition are set out in the announcements of the Company dated 26 January 2021 and 4 May 2021.

CONNECTED TRANSACTIONS

For FY2021, the Group had entered into the following non-exempt connected transactions.

- (i) On 10 August 2020, Edvance Financial Holdings Limited (“**EFHL**”), a wholly-owned subsidiary of the Company, entered into a subscription agreement (“**AGFG Subscription Agreement**”) with Axion Global Financial Group Limited (“**AGFG**”) (formerly known as Royston Financial Group Limited), pursuant to which EFHL had agreed to subscribe for 7,500 new shares of AGFG, representing 60% of the enlarged issued share capital of AGFG upon completion of the transaction at the subscription price of HK\$7,200,000 (“**AGFG Subscription**”).

Prior to the AGFG Subscription, AGFG was owned as to (i) 60% indirectly by Mr. Liu Yui Ting Raymond (“**Mr. Raymond Liu**”), the chairman, an executive director and one of the controlling shareholders of the Company; (ii) 20% indirectly by Dr. Tang Sing Hing Kenny (“**Dr. Kenny Tang**”), a then non-executive director of the Company; and (iii) 20% indirectly by an independent third party, Mr. Cheng Kwok Kit Edwin (“**Mr. Cheng**”). Therefore, Mr. Raymond Liu, Dr. Kenny Tang and their respective associates are connected persons of the Company under the Rules (“**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”). Accordingly, the entering into of the Subscription Agreement with AGFG constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios in respect of the AGFG Subscription Agreement calculated pursuant to Rule 14.07 of the Listing Rules was more than 5% but all are less than 25% and the total consideration was less than HK\$10,000,000, the entering into of the AGFG Subscription Agreement constituted (i) a connected transaction of the Company exempt from shareholders' approval requirements under Chapter 14A of the Listing Rules subject to the reporting and announcement pursuant to Chapter 14A of the Listing Rules; and (ii) a discloseable transaction of the Company under Chapter 14 of the Listing Rules subject to the announcement requirement pursuant to Chapter 14 of the Listing Rules.

On 4 January 2021, all the conditions precedent under the AGFG Subscription Agreement had been fulfilled and completion took place on 4 January 2021. Upon completion, AGFG was owned as to 60% indirectly by the Company; 24% indirectly by Mr. Raymond Liu, 8% indirectly by Dr. Kenny Tang; and 8% indirectly by Mr. Cheng.

Details of this transaction are set out in the announcements of the Company dated 10 August 2020 and 4 January 2021.

- (ii) On 9 October 2020, the Company, as the purchaser, entered into the sale and purchase agreement ("**Wepro 180 SPA**") with Mr. Raymond Liu, Mr. Sin Wai Ming ("**Mr. Sin**"), Mr. Wan Chung Ching ("**Mr. Wan**"), Ms. Law Wai Chi ("**Ms. Law**") (collectively as "**Wepro180 Vendors**"), pursuant to which the Company had agreed to purchase the entire issued shares ("**Wepro180 Sale Shares**") of Wepro180 Group Limited ("**Wepro180**") and the Wepro180 Vendors had agreed to sell the Wepro180 Sale Shares at the consideration of HK\$3,500,000 ("**Wepro180 Acquisition**").

Prior to the Wepro180 Acquisition, Wepro180 was owned as to (i) 89% directly by Mr. Raymond Liu, the chairman ("**Chairman**"), chief executive officer ("**Chief Executive Officer**"), an executive director and one of the controlling shareholders of the Company; (ii) 8% directly by Mr. Wan, an employee of the Group; (iii) 1.5% directly by Mr. Sin, an employee of the Group, and (iv) 1.5% directly by Ms. Law, a senior management of the Group. Each of Mr. Wan, Mr. Sin and Ms. Law was independent of connected persons of the Company, whilst Mr. Raymond Liu was a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Wepro180 SPA with Mr. Raymond Liu constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

Given that Mr. Raymond Liu under the Wepro180 Acquisition was the same connected person as the connected person in the previous transaction of the AGFG Subscription, the transaction contemplated under the Wepro180 Acquisition and the AGFG Subscription were aggregated pursuant to Rule 14A.81 of the Listing Rules. As all the applicable percentage ratios calculated after aggregation were more than 0.1% but less than 5%, the transaction contemplated under the Wepro180 SPA was subject to annual review and reporting requirements but is exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Completion had been taken place immediately after execution of the Wepro180 SPA on 9 October 2020 and Wepro180 became a wholly-owned subsidiary of the Company.

Details of this transaction are set out in the announcement of the Company dated 9 October 2020.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

Save as disclosed above, the Group had no other significant investment, material acquisitions or disposals of subsidiaries and affiliated companies during FY2021.

CONTINGENT LIABILITIES

As at 31 March 2021, the Group has no material contingent liabilities (as at 31 March 2020: Nil).

EXPOSURE TO EXCHANGE RATE FLUCTUATION

The Group's purchase are primarily denominated and settled in United States Dollars. The sales of the Group are predominated in Hong Kong Dollars. The Group will continue to monitor the risk related to foreign exchanges. The Group did not use any hedging contracts to engage in speculative activities during FY2021.

CHARGE ON GROUP'S ASSETS

As at 31 March 2021, the Group's bank borrowings were secured by the properties located in Singapore and life insurance contracts entered into with banks.

INFORMATION ON EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2021, the Group had 128 employees (as at 31 March 2020: 90 employees) and most of them were working in the Hong Kong headquarters. We incurred staff costs inclusive of performance related bonus, bonus, share based payments and directors' emoluments of approximately HK\$69.0 million and HK\$59.4 million for FY2021 and FY2020, respectively.

The remuneration package for the Group's employees generally includes salary and bonuses. The Group's employees also receive welfare benefits, including retirement benefits, occupational injury insurance, medical insurance and other miscellaneous items. The Group conducts annual review of the performance of the Group's employees for determining the level of bonus, salary adjustment and promotion of the Group's employees. The Group also conducts research on the remuneration packages offered for similar positions in Hong Kong in order to keep the Group's remuneration packages at a competitive level. The Company has also adopted the share option scheme and share award scheme, which are designed to provide incentives and rewards to the Group's employees.

OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Board is committed to establish good corporate governance and adopt sound corporate governance practices. The Directors strongly believe that reasonable and sound corporate governance practices are essential for the growth of the Group and for safeguarding and enhancing shareholders' interests.

The Company's corporate governance practices are based on the principles and code provisions (the "**Code Provisions**") set out in the Corporate Governance Code and Corporate Governance Report ("**CG Code**") contained in Appendix 14 of the Listing Rules.

In the opinion of the Directors, save for the deviation of code provision A.2.1 of the CG Code (as disclosed in the paragraph headed "Chairman and Chief Executive Officer" Below), the Company has complied with the Code Provisions as set out in the CG Code during FY2021 to ensure that the Group's business activities and decision-making processes are regulated in a proper and prudent manner.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to the code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

As Mr. Raymond Liu is the Chairman and was appointed as the Chief Executive Officer from 18 September 2020, it constituted a deviation from code provision A.2.1 of the CG Code since 18 September 2020.

The Board considers that this is a very important phase of the Group's development and the Chief Executive Officer ought to be tasked with additional responsibilities to oversee, lead and steer the Group from a business perspective that covers the new businesses and was much broader than the Group's principal engagement in the distribution of cybersecurity products and the provision of cybersecurity services. Given the importance of the Group's expansion and diversification into new businesses, the Board considers that Mr. Raymond Liu is best suited to take up the additional responsibilities to oversee, lead and steer the Group from a business perspective that covers the new businesses and is broader than the Group's principal engagement in the distribution of cybersecurity products and the provision of cybersecurity services.

The Board believes that Mr. Raymond Liu's extensive experience and knowledge, together with the support of the management, shall strengthen the solid and consistent leadership of the Group, and Mr. Raymond Liu, by assuming the roles of both Chairman and Chief Executive Officer, would allow efficient business planning and decision for the Group as a whole, which the Board believes is for the best interest of the Group and the shareholders of the Company.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the rules set out in Appendix 10 of the Listing Rules as the code for dealing in securities of the Company by the Directors ("**Model Code**"). Having made specific enquiry, all the Directors have confirmed that they have complied with the Model Code for FY2021 and up to the date of this announcement.

In addition, the Company has also adopted provisions of the Model Code as written guidelines for relevant employees in respect of their dealings in the securities of the Company. Such relevant employees did and would abide by the provisions of the Model Code. Besides, the Company has adopted internal control policy in relation to the disclosure of inside information of the Company ("**Inside Information Policy**").

No incident of non-compliance of the Model Code and/or the Inside Information Policy by such relevant employees was noted by the Company for FY2021 and up to the date of this announcement.

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

Neither the Company, nor any of its subsidiaries have purchased, sold or redeemed any securities of the Company during FY2021 and up to the date of this announcement.

COMPETING INTERESTS

During FY2021 and up to the date of this announcement, the following director of the Company had the following interests in business which competed or were likely to compete, either directly or indirectly, with the business of the Group as disclosed pursuant to Rule 8.10 of the Listing Rules:

Name of director	Name of entity which were considered to compete or likely compete with the business of the Group	Description of competing business	Nature of interests
Dr. Tang Sing Hing Kenny (Resigned on 31 May 2021)	Venture Smart Asia Limited	A corporation licensed by the SFC in Hong Kong to engage in Type 1 (dealing in securities), Type 4 (advising in securities) and Type 9 (asset management) regulated activities	Representative (starting from 30 April 2021)

As the above director cannot control the Board, the Group is therefore capable of carrying on its businesses independently and such director has now resigned.

Save as disclosed above, the Directors are not aware of any business and interest of the Directors that competed or might compete with the business of the Group and any other conflict of interests which any such person had or might have with the Group during FY2021 and up to the date of this announcement.

FINAL DIVIDEND

The Board has recommended a final dividend of HK\$0.01 per share of the Company (FY2020: HK\$0.01 per Share) out of distributable reserve subject to the approval of the Company's shareholders ("**Shareholders**") at the forthcoming annual general meeting. Details of the dividend for FY2021 are set out in note 12 to the consolidated financial statements in this announcement, the final dividend will be payable on or around 7 September 2021 to the Company's shareholders whose names appear on the register of the members of the Company on Wednesday, 18 August 2021.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The 2021 annual general meeting will be held on Friday, 6 August 2021. The register of members of the Company will be closed from Monday, 2 August 2021 to Friday, 6 August 2021, both dates inclusive, for the purpose of determining Shareholders' entitlement to attend and vote at the annual general meeting. In order to be eligible to attend and to vote at the annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with 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, for registration not later than 4:00 p.m. on Friday, 30 July 2021.

The proposed final dividend is subject to the passing of an ordinary resolution by the Shareholders at the annual general meeting. The record date for entitlement to the proposed final dividend is Wednesday, 18 August 2021. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Monday, 16 August 2021 to Wednesday, 18 August 2021, both dates inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for the proposed final dividend, all share transfer forms, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited, for registration not later than 4:00 p.m. on Friday, 13 August 2021.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in note 11 to the consolidated financial statements of this announcement.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, as at the date of this announcement, the Company has maintained a sufficient prescribed public float of 25% the total number of issued shares as required under the Listing Rules.

AUDIT COMMITTEE

The Company established the audit committee of the Company (“**Audit Committee**”) on 23 March 2017 with written terms of reference, which was aligned with the CG Code. A revised term of reference has been adopted on 20 December 2019 to incorporate amendments to the Listing Rules. The revised terms of reference of the Audit Committee is currently made available on the Stock Exchange’s website and the Company’s website.

The Audit Committee currently consists of three (3) independent non-executive Directors, namely Mr. Chan Siu Ming Simon, Mr. Ng Tsz Fung Jimmy and Mr. Yu Kwok Chun Raymond. Mr. Ng Tsz Fung Jimmy currently serves as the chairman of the Audit Committee, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The annual results of the Company for FY2021 have been audited. The Audit Committee has reviewed the audited consolidated financial statements of the Group for FY2021 and is of the opinion that the preparation of such statements complied with the applicable accounting standards, the requirements under the Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

EVENT AFTER REPORTING PERIOD

- (a) On 21 April 2021, a total of 15,000,000 share options of the Company (“**Share Options**”) to subscribe for up to a total of 15,000,000 Shares, representing approximately 1.49% of the issued share capital of the Company, were granted to 53 eligible participants (the “**Grantee**”) under the share option Scheme of the Company, subject to the acceptance of the Grantees. Details of the grant of the Share Options are set out in the announcement of the Company dated 21 April 2021;
- (b) As disclosed in the paragraphs headed “Acquisition of Properties” in the “Management Discussion and Analysis” section of this announcement, on 4 May 2021, the Properties Acquisition had been completed and EPIHK had become the sole owner of the Properties. Further details of the Property Acquisition are set out in the announcements of the Company dated 26 January 2021 and 4 May 2021;
- (c) On 21 June 2021, the Company had entered into a non-legally binding memorandum of understanding (“**MOU**”) with Orichal Partners Limited (“**Orichal**”) to invest in Orichal, which may be transacted by the subscription of its shares or the acquisition of all or part of the shares, asset or business of its subsidiaries. Orichal together with its subsidiaries principally engage in the provision of private research and analytics focusing on block chain and digital assets products. Details of the MOU are set out in the announcement of the Company dated 21 June 2021.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for FY2021 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu ("**Deloitte**"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Deloitte in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Deloitte on this announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the Company's website at www.edvanceintl.com and the website of the Stock Exchange at www.hkexnews.hk. The annual report of the Company containing all the information required by Appendix 16 of the Listing Rules will be published on the aforesaid websites of the Company and the Stock Exchange and will be despatched to the Company's shareholders in due course in accordance with the Listing Rules.

By order of the Board

Edvance International Holdings Limited

Liu Yui Ting Raymond

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 22 June 2021

As at the date of this announcement, the executive Directors are Mr. Liu Yui Ting Raymond, Mr. Lee Francis Sung Kei, Mr. Von John, and Mr. Lam Tak Ling, the non-executive Director is Mr. Lo Wai Ho Ashley, and the independent non-executive Directors are Mr. Yu Kwok Chun Raymond, Mr. Ng Tsz Fung Jimmy, Mr. Chan Siu Ming Simon and Mrs. Wong Hung Flavia Yuen Yee.