

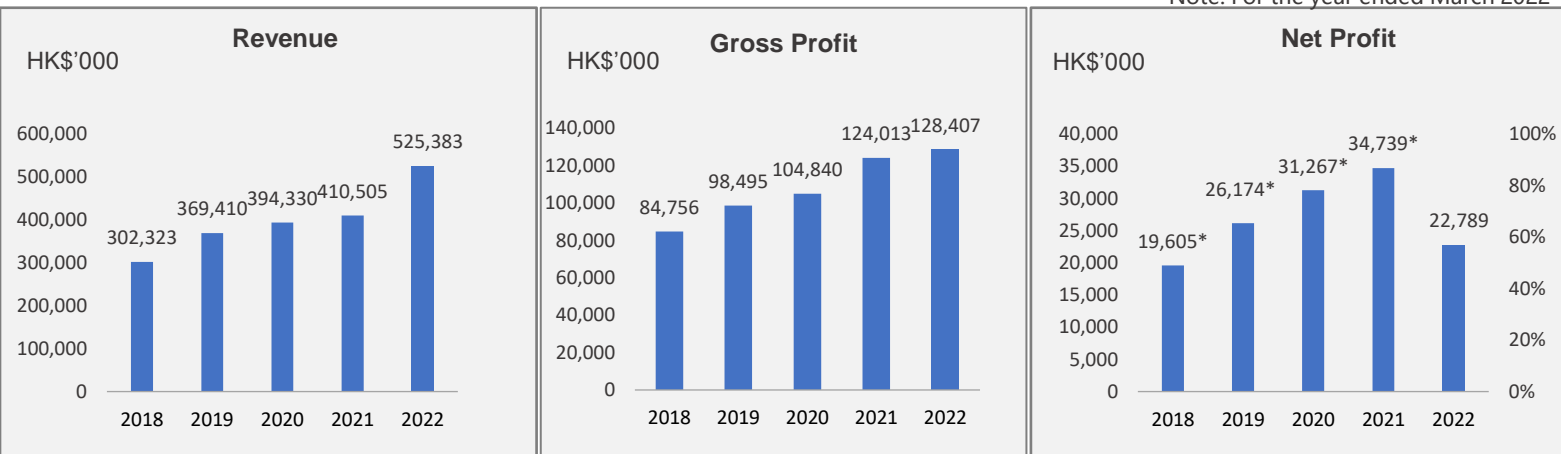
Edvance International (1410.HK) Investment Highlights

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 Provided by PRise Limited

Edvance International announces FY2022 annual results. Robust business performance with revenue up 28%

- Edvance International, a technology and investment holdings company in Hong Kong, announced its annual results for the year ended 31 March 2022. During the Year, the Group recorded a total revenue of HK\$525.4 million, up 28.0% year-on-year. Gross profit increased by 3.5% to approximately HK\$128.4 million;
- Profit attributable to owners of the Company was approximately HK\$22.8 million (FY2021: HK\$34.7 million); due to the increase in operation expenses incurred to cope with the Group's business expansions

Note: For the year ended March 2022



*Excluding non-recurring listing and transfer of listing related expenses

Strong market demand led to robust performance in cybersecurity businesses

- The cybersecurity products and services business continued to perform strongly with revenue growth of approximately 28%. The Group continues to see robust demand for cybersecurity solutions, especially in the enterprise and government sectors. The Group also expanded its cybersecurity solutions catalogue by working with globally renowned providers to solidify offerings across seven focused areas, namely: application monitoring, cyber threat security, data protection, DevSecOps/cloud security, infrastructure & monitoring, network security and security operations and orchestration.
- Green Radar, the Group's in-house email security solution brand, made tremendous progress in the email protection market during the Year. The Company tripled the number of mailboxes protected and won contracts from several well-known brands and multinational conglomerates.

Higher operating costs and investments for future growth

- The Group acted decisively to manage the challenges brought about by the pandemic and the changing geopolitical environment. During the Year, the Group incurred higher operating expenses especially in salaries and distribution and selling expense to ensure employee remuneration to remain competitive in a market where there is a shortage of IT professionals, especially in the cybersecurity field.

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

Higher operating costs and investment for future growth (cont'd)

- On the other hand, the Group also invested substantially in research and development and acquisitions to grow and scale its business in the long term. In FY2022, the Group entered into sale and purchase agreements to purchase Maldun Network Limited, a technology service provider, and Silverstone Network Limited and its subsidiaries, an IT security solution provider, respectively, to enhance the Group's competitiveness and scale in the email security business.

Significant milestone achieved as one of the first regulated digital asset managers

- For the financial services and investment business, Axion Global Asset Management Limited ("AGAM"), an indirect non-wholly-owned subsidiary of the Group, was granted the approval from Securities and Futures Commission of Hong Kong ("SFC") to manage virtual assets in January 2022 and launched its flagship "Smart Beta Fund", a risk-adjusted fund tracking the top ten qualified cryptocurrencies in market value.
- In addition, the Group's long-term investment in Hong Kong Digital Asset EX Limited ("HKbitEX") recorded fair value gain for the Group. These are strategic initiatives to elevate the Group's role in the digital asset market and accelerate the business growth. The Group believes that with greater clarity in regulation and higher level of participation from institutions and new entrants, it is well-positioned to capture opportunities ahead.

Growth opportunities ahead

- Looking ahead, effort is underway by the Group to align and augment its sales approach to a recurring revenue model by increasing the proportion of subscription-based cybersecurity services, which will provide a more sustainable income stream. For the Green Radar business, the Group is also actively seeking to expand its service offerings beyond email protection to broaden the "security-as-a-service" approach.
- Cybersecurity has become a top-of-mind concern of business decision maker in the digital era, and Edvance International sees a huge opportunity to help its customers adopt cybersecurity easily and cost effectively. To this end, the Group plans to ramp up its research and development spend to strengthen its offerings towards a service and subscription business model. Similarly, Edvance International is excited by the prospect of the financial services and investment business and believes it will be a significant catalyst to the Group's growth in the future.

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