

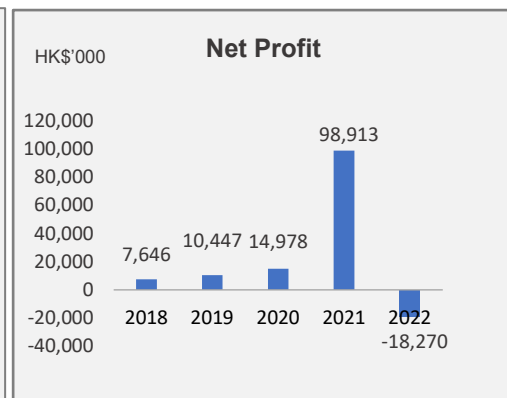
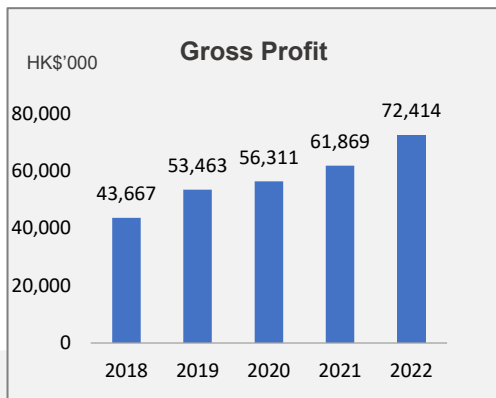
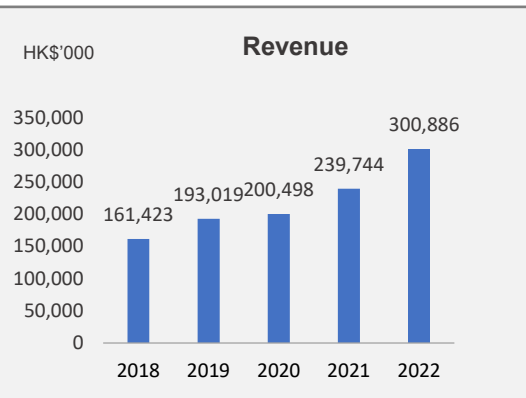
Edvance International (1410.HK) Investment Highlights

November 25, 2022
 Provided by PRise Limited

Edvance International announces FY2023 interim results. Record-breaking revenue hit HK\$300 million, up 25% YOY

- Edvance International, a technology and investment company in Hong Kong, announced its interim results for the six months ended 30 September 2022. The Group casted record breaking revenue of HK\$300.9 million, representing an increase of approximately 25.5% YoY, or HK\$61.2 million. The growth was driven by strong sustained demand for cybersecurity products and services during the Period. Gross profit reached approximately HK\$72.4 million, up 17.0% YoY; gross profit margin slightly decreased to 24.1% due to the product mix in the cybersecurity products segment generated a comparatively lower gross profit margin in FY2023 1H.
- Net loss attributable to owners of the Company was approximately HK\$18.3 million (FY2022 1H: net profit of approximately HK\$98.9 million). The change from net profit to net loss was due to the fair value loss on financial assets at fair value through profit and loss ("FVTPL") of approximately HK\$23.0 million in relation to the unlisted investment of the holding company of Hong Kong Digital Asset Ex Limited ("HKbitEX").
- For illustration purpose, after excluding the impact of the fair value loss, the Group recorded net profit of approximately HK\$7.1 million in the Period compared to a net loss of approximately HK\$1.3 million for FY2022 1H.

Note: For the six months ended September 30



Robust and persistent demand sled to a strong performance in cybersecurity businesses

- During the Period, robust and persistent demand for cybersecurity solutions was seen in the market, which contributed to the performance of the Group's cybersecurity business units. The cybersecurity products and services business continued to perform strongly, with revenue growth of approximately 25.5%. This was highlighted by project wins from key client sectors, including government and financial services institutions. The Company also expanded its product range to a Chinese-branded product, TianJi Partners, a leading provider of Digital Risk Protection (DRP) Solutions, to cater to the emerging need for mainland cybersecurity products in Hong Kong market.
- Green Radar, the in-house email security brand also benefited from the strong market demand and delivered encouraging business performance. The brand further strengthened the reseller ecosystem through managed security service providers (MSSP) and has secured partnerships with one of the largest resellers of Microsoft 365 in Hong Kong. During the Period, Green Radar continued to gain traction in the enterprise segment, including winning businesses from extensive cooperation and receiving industry award recognitions for its flagship product, grMail.

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

Significant regulatory announcements paving way for the future growth of the financial services business

- After having received the digital asset manager approval from the Securities and Futures Commission (SFC), Axion Global Asset Management Limited (“AGAM”) has expanded its regulated activities to provide virtual asset funds to professional investors and has successfully launched the Smart Beta Fund. In addition, the Group has delightedly appointed a new chief operations officer for AGAM as it looks to strengthen the product development capabilities and introduce new regulated product offerings, including virtual asset advisory and discretionary account management.
- The initiatives announced by the Hong Kong Government's Financial Services and Treasury Bureau that set out the policy stance and approach towards developing a vibrant sector and ecosystem for Virtual Assets (VA) in Hong Kong were encouraging. The Group expects the ultimate implementation of those policies to provide a more favorable environment for regulated entities, including AGAM, to offer VA-related products and services, and attract investments from local and foreign investors.

Growth opportunities ahead

- Looking ahead, the Group believes demand for cybersecurity will remain strong, and the transformation to a subscription-based revenue model will help increase the stickiness of its services for customers, eventually boosting its recurring income. The Group is also working diligently to execute the geographical expansion of Green Radar's international footprint beyond Singapore and into the Association of Southeast Asian Nations (ASEAN) markets.
- On the financial services side, AGAM will ramp up its product development efforts and leverage its position as one of the first SFC-approved virtual asset fund managers to capture growth opportunities in this nascent but fast-growing asset class.

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