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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)

**CONNECTED TRANSACTION –
DISPOSAL OF THE 60% EQUITY INTEREST IN
AXION GLOBAL FINANCIAL GROUP LIMITED**

THE SALE AND PURCHASE AGREEMENT

On 26 April 2024, Edvance Financial, a direct wholly-owned subsidiary of the Company, Jaguar Investment and Mr. Raymond Liu, as vendors, and the Purchasers, as purchasers, entered into the Agreement pursuant to which the Vendors have agreed to sell and the Purchasers have agreed to purchase the Sale Shares (being the entire issued share capital of the Target Company) at the Consideration of HK\$6,445,000.

As at the date of the Agreement and immediately before Completion, Edvance Financial held 60% of the issued share capital of the Target Company. Completion has taken place immediately after the signing of the Agreement. Immediately upon Completion, the Group ceased to hold any interest in the Target Group.

LISTING RULES IMPLICATIONS

As at the date of this announcement, (i) Mr. Raymond Liu is an executive Director, a chief executive officer and a Controlling Shareholder of the Company; and (ii) Jaguar Investment is wholly-owned by Mr. Raymond Liu and is therefore an associate of Mr. Raymond Liu. As such, Mr. Raymond Liu and Jaguar Investment are connected persons of the Company under the Listing Rules. The entering into of the Agreement by Edvance Financial with Mr. Raymond Liu, Jaguar Investment and other Parties constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal are less than 5%, the Disposal is subject to the reporting and announcement requirements but is exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

On 26 April 2024, Edvance Financial, a direct wholly-owned subsidiary of the Company, Jaguar Investment and Mr. Raymond Liu, as vendors, and the Purchasers, as purchasers, entered into the Agreement pursuant to which the Vendors have agreed to sell and the Purchasers have agreed to purchase the Sale Shares (being the entire issued share capital of the Target Company) at the Consideration of HK\$6,445,000.

The principal terms of the Agreement are summarised below:

THE AGREEMENT

- Date : 26 April 2024
- Parties : (i) Edvance Financial;
- (ii) Jaguar Investment;
- (iii) Mr. Raymond Liu;
- (iv) Purchaser A;
- (v) Purchaser B; and
- (vi) Purchaser C.
- Subject matter : The Vendors, as the legal and beneficial owners of their respective Sale Shares, have agreed to sell the Sale Shares, and the Purchasers have agreed to purchase the Sale Shares with effect from Completion, on and subject to the terms and conditions of the Agreement.

As at the date of the Agreement and immediately before Completion, each of Edvance Financial, Jaguar Investment and Mr. Raymond Liu was the legal and beneficial owner of 9,300, 3,720 and 2,480 Sale Shares, representing 60%, 24% and 16% of the issued share capital of the Target Company respectively. The Sale Shares shall be sold by the Vendors to the Purchasers in the following manner:

Name of Vendor	Number of Sale Shares to be sold	Name of Purchaser
Edvance Financial	5,270	Purchaser B
Edvance Financial	4,030	Purchaser A
Jaguar Investment	1,085	Purchaser A
Jaguar Investment	2,635	Purchaser C
Mr. Raymond Liu	2,480	Purchaser C

The obligations of the Vendors and the Purchasers above are several, but the Vendors shall not be obliged to sell any of the Sale Shares and the Purchasers shall not be obliged to purchase any of the Sale Shares unless the sale and purchase of all the Sale Shares are completed simultaneously.

Consideration : The Consideration for the sale and purchase of the Sale Shares shall be in the aggregate sum of HK\$6,445,000, of which each of Edvance Financial, Jaguar Investment and Mr. Raymond Liu is entitled to HK\$3,867,000, HK\$1,546,800 and HK\$1,031,200 respectively.

The Consideration was determined after arm's length negotiations between the Vendors and the Purchasers with reference to and including but not limited to, the comparable offers in the market, the net assets value of the Target Group, the operating and other costs of the Target Group before Completion.

Payment terms : The Consideration shall be paid by the Purchasers by cheque(s) or by telegraphic transfer or other electronic means to the relevant Vendors and in such proportion as set out below at Completion:

Name of Purchaser	Name of Vendor	Proportion to the Consideration	Amount of Consideration (HK\$)
Purchaser A	Edvance Financial	26%	1,675,700
Purchaser A	Jaguar Investment	7%	451,150
Purchaser B	Edvance Financial	34%	2,191,300
Purchaser C	Jaguar Investment	17%	1,095,650
Purchaser C	Mr. Raymond Liu	16%	1,031,200

Completion : Completion has taken place immediately after the signing of the Agreement in accordance with the terms and conditions of the Agreement.

INFORMATION OF THE TARGET GROUP

The Target Company is principally engaged in investment holding. The Target Company holds the entire issued share capital of the Subsidiary which is principally engaged in securities dealing, provision of advisory on securities, and asset management services. The Subsidiary is a licensed corporation to carry out Type 1 (Dealing in securities), Type 4 (Advising on securities) and Type 9 (Asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The unaudited consolidated financial information of the Target Group for the two financial years ended 31 December 2022 and 2023 are set out below:

	For the financial year ended 31 December 2022 HK\$'000 (Approximately) (Unaudited)	For the financial year ended 31 December 2023 HK\$'000 (Approximately) (Unaudited)
Net loss before and after taxation and extraordinary items	2,764	1,261

The unaudited total assets value and unaudited net assets value of the Target Group as at 31 March 2024 according to its management accounts were approximately HK\$4,752,000 and HK\$4,334,000 respectively.

INFORMATION OF THE PARTIES

Edvance Financial is a company incorporated in the British Virgin Islands with limited liability and is a direct wholly-owned subsidiary of the Company. Edvance Financial is principally engaged in investment holding.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, (i) Jaguar Investment is a company incorporated in the Republic of Seychelles with limited liability and is principally engaged in investment holding; and (ii) Jaguar Investment is wholly-owned by Mr. Raymond Liu, an executive Director, a chief executive officer and a Controlling Shareholder of the Company.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Purchasers is a businessman and an Independent Third Party.

FINANCIAL EFFECT OF THE DISPOSAL

Immediately upon Completion, the Group ceased to hold any interest in the Target Group and the Target Group ceased to be subsidiaries of the Company. Hence, the financial results, assets and liabilities of the Target Group ceased to be consolidated into the accounts of the Company upon Completion.

It is expected that an unaudited net loss before tax of approximately HK\$1,147,000 will be recorded by the Group as a result of the Disposal which mainly represents the net difference between the Consideration and the unaudited net assets value, the intangible assets of trading right and the deferred tax liabilities of the Target Group as at 31 March 2024. The Group intends to use the sale proceeds from the Disposal as the general working capital of the Group.

The above expected loss is for illustrative purpose only. The actual loss in connection with the Disposal will be subject to the review and final audit by the auditors of the Company.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The principal activity of the Company is investment holding. The Group is principally engaged in the distribution of cybersecurity security products, provision of cybersecurity security services, and provision of digital assets financial services and investment business.

After taking into account of the performance of the Target Group and the burden of diverging further resources from other businesses of the Group, the Directors consider that the Disposal is in the interests of the Group and will enable the management to focus on existing cybersecurity business and to explore investment opportunities to realise gains for the shareholders of the Company.

In view of the above, the Directors (including all the independent non-executive Directors) consider that the terms of the Disposal are fair and reasonable, on normal commercial terms, and are in the interests of the Company and its shareholders as a whole.

Mr. Raymond Liu (being an executive Director, the sole shareholder of Jaguar Investment and a Party) has abstained from voting on the relevant resolutions of the Board approving the Agreement and the Disposal. Save as disclosed in this announcement, none of the other Directors has any material interest in the Agreement and the Disposal, and hence no other Director is required to abstain from voting on such resolutions of the Board.

LISTING RULES IMPLICATIONS

As at the date of this announcement, (i) Mr. Raymond Liu is an executive Director, a chief executive officer and a Controlling Shareholder of the Company; and (ii) Jaguar Investment is wholly-owned by Mr. Raymond Liu and is therefore an associate of Mr. Raymond Liu. As such, Mr. Raymond Liu and Jaguar Investment are connected persons of the Company under the Listing Rules. The entering into of the Agreement by Edvance Financial with Mr. Raymond Liu, Jaguar Investment and other Parties constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal are less than 5%, the Disposal is subject to the reporting and announcement requirements but is exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Agreement”	the sale and purchase agreement entered into between the Vendors and the Purchasers on 26 April 2024 in relation to the sale and purchase of the Sale Shares
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Edvance International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1410)
“Completion”	completion of the sale and purchase of the Sale Shares
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the purchase price paid by the Purchasers and/or its nominees to the Vendors for the sale and purchase of the Sale Shares
“Controlling Shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the 60% equity interest in the Target Company held by Edvance Financial in accordance with the terms and conditions of the Agreement
“Edvance Financial”	Edvance Financial Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries for the time being
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	the third party independent of the Company and its connected persons

“Jaguar Investment”	Jaguar Investment Limited, a company incorporated in the Republic of Seychelles with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Raymond Liu”	Mr. Liu Yui Ting Raymond
“Parties”	the parties to the Agreement and each of them as a “Party”
“Purchaser A”	Ms. Chan Tsz Yin
“Purchaser B”	Mr. James Li
“Purchaser C”	Mr. Lo Ting Hong
“Purchasers”	Purchaser A, Purchaser B and Purchaser C
“Sale Shares”	the 15,500 ordinary shares of par value of US\$1 each in the Target Company sold by the Vendors to the Purchasers pursuant to the terms of the Agreement
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	Axion Global Asset Management Limited (formerly known as Royston Securities Limited), a company incorporated in Hong Kong with limited liability
“Target Company”	Axion Global Financial Group Limited (formerly known as Royston Financial Group Limited), a company incorporated in the British Virgin Islands with limited liability
“Target Group”	the Target Company and the Subsidiary
“US\$”	United States dollars, the lawful currency of the United States

“Vendors” Edvance Financial, Jaguar Investment and Mr. Raymond Liu

“%” per cent.

By order of the Board
Edvance International Holdings Limited
Liu Yui Ting Raymond
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 26 April 2024

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