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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 2025**

FINANCIAL HIGHLIGHTS

The Group recorded a revenue and gross profit of approximately HK\$734.3 million and approximately HK\$141.4 million respectively for FY2025, representing an increase of approximately 17.4% and approximately 3.2% respectively, when compared with the revenue and gross profit of approximately HK\$625.4 million and approximately HK\$137.0 million respectively for FY2024.

The Company recorded profit attributable to owners of the Company (“**Net Profit**”) for FY2025 of approximately HK\$24.5 million (FY2024: approximately HK\$29.7 million).

For illustration purpose, after excluding the impact of the fair value changes on financial assets at fair value through profit or loss and non-recurring other gains and losses items in both of FY2025 and FY2024, the Group recorded an adjusted Net Profit of approximately HK\$18.2 million for FY2025, representing the turnaround results compared to the adjusted loss attributable to owners of the Company of approximately HK\$0.4 million for FY2024.

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) is pleased to present the audited consolidated results of Edvance International Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”, “**our Group**”, “**we**” or “**our**”) for the year ended 31 March 2025 (“**FY2025**”), together with the comparative audited figures for the preceding financial year ended 31 March 2024 (“**FY2024**”), as follow:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For FY2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	3	734,346	625,372
Cost of sales or services		(592,953)	(488,378)
Gross profit		141,393	136,994
Other income		1,587	885
Other gains and losses, net	5	6,330	30,092
Distribution and selling expenses		(38,780)	(41,043)
Administrative and other expenses		(71,084)	(89,274)
Net impairment losses under expected credit loss model		(6,011)	(2,045)
Finance costs		(4,335)	(4,639)
Profit before taxation		29,100	30,970
Taxation	6	(4,562)	(2,075)
Profit for the year	7	24,538	28,895
Other comprehensive income for the year:			
Item that will not be reclassified to profit or loss:			
Gain on revaluation of intangible assets		–	398
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		189	232
Total comprehensive income for the year		24,727	29,525
Profit (loss) for the year attributable to:			
Owners of the Company		24,547	29,713
Non-controlling interests		(9)	(818)
		24,538	28,895
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		24,736	30,343
Non-controlling interests		(9)	(818)
		24,727	29,525
Earnings per share (HK cents)	8		
– basic		2.44	2.94
– diluted		2.44	2.93

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property and equipment		59,724	103,776
Goodwill		3,216	3,216
Intangible assets		26,177	31,426
Deferred tax assets		5,971	5,578
Prepayments and deposits	10	199,622	178,316
		<u>294,710</u>	<u>322,312</u>
Current assets			
Inventories		10,384	31,989
Loan receivable		1,460	3,000
Trade and other receivables, prepayments and deposits	10	447,528	440,364
Tax recoverable		–	1,141
Contract assets		6,563	7,300
Financial assets at fair value through profit or loss (“FVTPL”)	9	50,908	45,510
Cash and cash equivalents		82,662	55,867
		<u>599,505</u>	<u>585,171</u>
Current liabilities			
Trade and other payables and accruals	11	138,994	167,454
Lease liabilities		9,750	10,088
Contract liabilities		312,665	267,021
Bank borrowings		11,802	53,805
Tax payables		2,256	–
		<u>475,467</u>	<u>498,368</u>
Net current assets		<u>124,038</u>	<u>86,803</u>
Total assets less current liabilities		<u>418,748</u>	<u>409,115</u>

		2025	2024
	Notes	HK\$'000	HK\$'000
Non-current liabilities			
Lease liabilities		16,434	26,065
Contract liabilities		211,483	196,894
Bank borrowings		–	16,675
Deferred tax liabilities		4,319	5,185
		<u>232,236</u>	<u>244,819</u>
Net assets		<u>186,512</u>	<u>164,296</u>
Capital and reserves			
Share capital	12	10,042	10,042
Reserves		<u>176,470</u>	<u>151,734</u>
Equity attributable to owners of the Company		186,512	161,776
Non-controlling interests		<u>–</u>	<u>2,520</u>
Total equity		<u>186,512</u>	<u>164,296</u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

For FY2025

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. Its ultimate immediate controlling shareholder is Success Vision International Group Limited, which was 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 25th Floor, Tower 1, The Millennity, 98 How Ming Street, Kwun Tong, Kowloon, Hong Kong, respectively. The Company acts as an investment holding company. The Group is principally engaged in the distribution of cybersecurity products, provision of cybersecurity services, and provision of digital assets financial services and investment business.

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

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual periods beginning on 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRS Accounting Standards in the current year has 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 the consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

Except as described below, the directors of the Company anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 “Presentation and Disclosure in Financial Statements” (“**HKFRS 18**”), which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements” (“**HKAS 1**”). This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosure”. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

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:

	2025 HK\$’000	2024 HK\$’000
Types of goods or services:		
Cybersecurity products business*		
– procurement of network security products, system security products and application and data security products	<u>310,034</u>	<u>277,419</u>
Cybersecurity services business*		
– provision of technical implementation services	27,653	29,858
– provision of maintenance and support services	<u>396,659</u>	<u>318,021</u>
	<u>424,312</u>	<u>347,879</u>
Digital assets financial services and investment business*		
– provision of financial services	<u>–</u>	<u>74</u>
	<u>734,346</u>	<u>625,372</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.

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) Digital assets financial services and investment business refers to the provision of digital assets financial services to customers, venture investment and securities trading by the Group.

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

	Cybersecurity products business <i>HK\$'000</i>	Cybersecurity services business <i>HK\$'000</i>	Digital assets financial services and investment business <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the year ended 31 March 2025				
Segment revenue	<u>310,034</u>	<u>424,312</u>	<u>–</u>	<u>734,346</u>
Segment results	<u>43,188</u>	<u>92,194</u>	<u>1,322</u>	<u>136,704</u>
Other income				1,587
Unallocated other gains and losses, net				4,385
Unallocated distribution and selling expenses				(38,732)
Unallocated administrative and other expenses				(70,509)
Finance costs				<u>(4,335)</u>
Profit before taxation				<u>29,100</u>

	Cybersecurity products business HK\$'000	Cybersecurity services business HK\$'000	Digital assets financial services and investment business HK\$'000	Total HK\$'000
For the year ended 31 March 2024				
Segment revenue	<u>277,419</u>	<u>347,879</u>	<u>74</u>	<u>625,372</u>
Segment results	<u>37,307</u>	<u>98,936</u>	<u>23,161</u>	159,404
Other income				885
Unallocated other gains and losses, net				(16)
Unallocated distribution and selling expenses				(40,963)
Unallocated administrative and other expenses				(82,350)
Impairment losses recognised on loan receivable				(1,351)
Finance costs				<u>(4,639)</u>
Profit before taxation				<u>30,970</u>

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represent the profit earned by each segment without allocation of other income, certain other gains and losses, net, certain distribution and selling expenses, certain administrative and other expenses, impairment losses recognised on loan receivable, finance costs and taxation. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

5. OTHER GAINS AND LOSSES, NET

	2025 HK\$'000	2024 HK\$'000
Net foreign exchange gain	2	7
Net gain (loss) on disposal and written-off of property and equipment	4,383	(23)
Gain on fair value changes of financial assets at FVTPL	1,945	32,306
Revaluation loss on intangible assets	–	(521)
Impairment loss on intangible assets	<u>–</u>	<u>(1,677)</u>
	<u>6,330</u>	<u>30,092</u>

6. TAXATION

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax:		
Hong Kong Profits Tax	5,652	3,633
Overprovision in respect of prior year:		
Hong Kong Profits Tax	(266)	(34)
Deferred tax credit	<u>(824)</u>	<u>(1,524)</u>
	<u>4,562</u>	<u>2,075</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%. No provision of PRC Enterprise Income Tax was made as the subsidiaries in the PRC have incurred tax losses for the years ended 31 March 2025 and 31 March 2024.

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 the years ended 31 March 2025 and 31 March 2024.

No provision of Macau Complementary Tax was made for the years ended 31 March 2025 and 31 March 2024 as the subsidiary in Macau has incurred tax losses.

7. PROFIT FOR THE YEAR

	2025 HK\$'000	2024 HK\$'000
Profit for the year has been arrived at after charging (crediting):		
Staff costs:		
Directors' remuneration	9,284	14,232
Other staff:		
Other staff costs	65,964	75,258
Equity-settled share-based expense	459	135
Contributions to retirement benefits schemes	2,665	3,779
	<u>78,372</u>	<u>93,404</u>
Auditor's remuneration		
– Audit services	1,692	1,892
– Non-audit services	96	124
	<u>1,788</u>	<u>2,016</u>
Cost of inventories recognised as an expense (including the allowance for inventories of approximately HK\$844,000 (2024: HK\$1,667,000))	<u>274,212</u>	<u>236,838</u>
Depreciation of right-of-use assets	10,669	12,171
Depreciation of other property and equipment	<u>6,843</u>	<u>8,406</u>
Depreciation of property and equipment	<u>17,512</u>	<u>20,577</u>
Amortisation of intangible assets	<u>2,618</u>	<u>2,618</u>
Net impairment losses on trade receivables	6,024	656
(Net reversal of impairment losses) net impairment losses on contract assets	(13)	38
Impairment losses on loan receivable	<u>–</u>	<u>1,351</u>
Net impairment losses under ECL model	<u>6,011</u>	<u>2,045</u>

8. 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:

	2025 <i>HK\$'000</i>	2024 <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>24,547</u>	<u>29,713</u>
	2025 <i>Number of shares '000</i>	2024 <i>Number of shares '000</i>
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	1,004,217	1,011,449
Effect of dilutive potential ordinary shares:		
Share options	<u>–</u>	<u>2,290</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>1,004,217</u>	<u>1,013,739</u>

The computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of these share options were higher than the average market price of the Company's shares for the year ended 31 March 2025.

9. FINANCIAL ASSETS AT FVTPL

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Listed equity investments in Hong Kong	4,383	–
Unlisted preference shares of Tykhe Capital Group Limited (“Tykhe”)	<u>46,525</u>	<u>45,510</u>
	<u>50,908</u>	<u>45,510</u>
Analysed for reporting purposes as:		
Current assets	<u>50,908</u>	<u>45,510</u>

As at 31 March 2025 and 2024, the Group had unlisted preference shares investment amounting to United States Dollar 3 million of share capital of series A2 preference shares of Tykhe. The fair value is measured at level 3 based on equity value using backsolve method with reference to recent market transaction price allocated to series A2 preference shares with weighted probability rate of 50% and 50%, respectively under liquidation scenario and qualified IPO scenario. The investment is classified as financial assets at FVTPL. During the year ended 31 March 2025, fair value gain of approximately HK\$1,015,000 (2024: HK\$32,437,000) had been recognised for the investment in Tykhe.

As at 31 March 2025 and 2024, the management of the Group expected to sell the investment in Tykhe within twelve months after the end of the reporting period and therefore the investment in Tykhe was reclassified as current assets.

As at 31 March 2025, the Group had invested in several listed equity investments in Hong Kong. Such investment was classified as financial assets at FVTPL. The fair value was measured at level 1 based on quoted prices in an active market.

10. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2025 HK\$'000	2024 HK\$'000
Current		
Trade receivables	200,539	219,622
Less: allowance for credit losses	(7,116)	(1,707)
	<u>193,423</u>	<u>217,915</u>
Prepayment to suppliers for maintenance and support services	251,661	216,571
Receivables with broker's house and custodian	464	1,865
Other tax receivables	–	37
Prepayment and other receivables	<u>1,980</u>	<u>3,976</u>
	<u>447,528</u>	<u>440,364</u>
Non-current		
Rental deposits	3,180	3,372
Deposits and prepayment for life insurance contracts	15,139	14,797
Prepayment to suppliers for maintenance and support services	<u>181,303</u>	<u>160,147</u>
	<u>199,622</u>	<u>178,316</u>
Total trade and other receivables, prepayments and deposits	<u><u>647,150</u></u>	<u><u>618,680</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:

	2025 HK\$'000	2024 HK\$'000
0 to 30 days	140,105	152,934
31 to 60 days	30,160	35,911
61 to 90 days	17,145	21,256
91 to 120 days	239	5,474
121 to 365 days	<u>5,774</u>	<u>2,340</u>
	<u><u>193,423</u></u>	<u><u>217,915</u></u>

11. TRADE AND OTHER PAYABLES AND ACCRUALS

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

	2025 HK\$'000	2024 HK\$'000
Trade payables	120,456	147,105
Accrued expense	11,088	8,913
Accrued staff costs	6,623	8,895
Others	827	2,541
	<u>138,994</u>	<u>167,454</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.

	2025 HK\$'000	2024 HK\$'000
0 to 30 days	109,566	106,307
31 to 60 days	6,445	7,352
61 to 90 days	3,696	33,446
91 to 120 days	749	—
	<u>120,456</u>	<u>147,105</u>

12. SHARE CAPITAL

Details of the shares of the Company are as follows:

	Number of shares	HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2023, 31 March 2024 and 31 March 2025	<u>2,000,000,000</u>	<u>20,000</u>
Issued and fully paid:		
At 1 April 2023	<u>1,011,738,000</u>	<u>10,117</u>
Issue of shares upon exercise of share options (note (i))	519,000	5
Shares repurchased and cancelled (note (ii))	<u>(8,040,000)</u>	<u>(80)</u>
At 31 March 2024 and 2025	<u>1,004,217,000</u>	<u>10,042</u>

Notes:

- (i) During the year ended 31 March 2024, a total of 519,000 new ordinary shares of HK\$0.01 each were issued upon exercise of the share options of the Company.
- (ii) During the year ended 31 March 2024, the Company had repurchased 8,040,000 shares at total consideration of approximately HK\$3,125,000 and these shares had been cancelled. The aggregate par value of the respective shares was approximately HK\$80,000. The difference of approximately HK\$3,045,000 between the aggregate consideration and the aggregate par value of the shares have been debited to share premium.

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

13. DIVIDENDS

No dividend was proposed for ordinary shareholders of the Company during the year ended 31 March 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Business overview

FY2025 was another record year for our Company, with revenue reaching an all-time high of approximately HK\$734.3 million, representing approximately 17.4% year-over-year growth. In many respects, this validated our strategy and effort of the Company's management in the past few years to transition our revenue model from a transactional cybersecurity products business into a recurring-revenue services business.

The Group observes sustained focus and strong demand for cybersecurity products and services in Hong Kong, which has been a key driver of our ongoing revenue growth. We are confident that this positive trend will continue in the short to medium term.

Through prudent and effective cost management measures, operating profit has improved. As a result, excluding fair value changes on investments and non-recurring other gains and losses items, the current year's operating performance turned around from a loss of approximately HK\$0.4 million for FY2024 to a profit of approximately HK\$18.2 million for FY2025.

The Group remains committed to executing our corporate strategy and is focused on delivering our core competence and exceptional services to our clients.

Cybersecurity product distribution and services

With the rapid advancement and widespread adoption of artificial intelligence, cyberattacks have grown increasingly sophisticated. Alongside evolving regulations and the rise of automation across industries, businesses are placing heightened emphasis on cybersecurity, driving the demand for a diverse range of solutions to address these complex threats.

In FY2025, the Group experienced robust demand for cybersecurity products and services, reflecting the persistent and growing need for enhanced security measures.

Moreover, our successful shift to a subscription-based business model has delivered positive outcomes, resulting in more stable and predictable revenue streams. This transition has further strengthened our position as a leading distributor of cybersecurity solutions.

In FY2025, the Group introduced new cybersecurity products and is actively evaluating additional products and technologies from China that align with the local market's requirements. At the same time, we are strengthening our support services to provide secure, high-performance, and cost-effective cybersecurity solutions that meet our customers' evolving needs.

Cybersecurity-as-a-service

Our cybersecurity-as-a-service offerings continue to gain significant traction. Local challenges stemming from insufficient IT and cybersecurity expertise are driving increased demand for outsourced cybersecurity services, as evidenced by a growing number of clients adopting our cybersecurity-as-a-service solutions.

Additionally, our newly launched online cybersecurity awareness training platform has been well received in FY2025, offering local organisations easy online access to vital cybersecurity knowledge, fulfilling an existing gap in strengthening employee security posture. The Group anticipates this innovative product line will grow into a rapidly expanding business segment. With training content also available in Thailand and Malaysia, we aim to achieve a significant breakthrough in the Association of Southeast Asian Nations (ASEAN) market.

Digital assets financial services and investment

FY2025 has been marked by significant volatility in global financial markets, with fluctuating stock prices and evolving investor sentiment. These uncertainties highlight the importance of prudent financial management and disciplined investment strategies.

In FY2025, the strategic investment in the holding company of Hong Kong Digital Asset Ex Limited (“**HKbitEX**”) is our main investment in this business segment. Such investment contributed to fair-value gain on financial assets at FVTPL of approximately HK\$1.0 million (FY2024: approximately HK\$32.4 million) for the Group in FY2025.

We remain committed to safeguarding shareholder value while pursuing sustainable growth. Recognising the challenges posed by market instability, we will adopt a cautious and selective approach to capital allocation.

OUTLOOK

Looking ahead, we remain optimistic about the Group’s overall business outlook. Despite some uncertainties in market conditions in the short term, demand for cybersecurity products and services, including cybersecurity-as-a-service, continues to be strong in Hong Kong and across the ASEAN region.

We will maintain our focus on our core business, delivering enhanced value to our clients while exercising prudent operational management. Our commitment is to develop cybersecurity solutions that more effectively address regional needs and ensure our clients are well protected against cyber threats.

In closing, we again sincerely thank our employees, partners, customers, and shareholders for their steadfast support. We eagerly anticipate exciting developments in the year ahead.

FINANCIAL REVIEW

Revenue

Our revenue increased by approximately HK\$109.0 million, or approximately 17.4% from approximately HK\$625.4 million for FY2024 to approximately HK\$734.3 million for FY2025. The increase was mainly attributable to the continuous strong demand for our core cybersecurity products and cybersecurity services related businesses.

Gross profit and gross profit margin

Our gross profit increased by approximately HK\$4.4 million, or approximately 3.2% from approximately HK\$137.0 million for FY2024 to approximately HK\$141.4 million for FY2025. Our gross profit margin decreased from approximately 21.9% for FY2024 to approximately 19.3% for FY2025. The increase in gross profit compared with FY2024 was mainly due to increase in revenue. The lowered gross profit margin compared with FY2024 was mainly due to higher technical services costs incurred in cybersecurity services business and comparative lower margin on cybersecurity products business driven by market competitive pressure.

Other income

Our other income mainly comprises bank interest income and interest income from rental deposits 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

Other gains and losses, net for FY2025, mainly represented (i) the gain on disposal of property and equipment of approximately HK\$4.4 million in relation to the disposal of Singapore properties (FY2024: loss on disposal and written off of property and equipment of approximately HK\$0.02 million); and (ii) the fair value gain on financial assets at FVTPL of approximately HK\$1.9 million (FY2024: approximately HK\$32.3 million). This fair value gain on financial assets at FVTPL mainly represented the fair value on unlisted investment of the holding company of HKbitEX of approximately HK\$1.0 million in FY2025 (FY2024: approximately HK\$32.4 million).

Distribution and selling expenses

Our distribution and selling expenses decreased by approximately HK\$2.3 million, or approximately 5.5% from approximately HK\$41.0 million for FY2024 to approximately HK\$38.8 million for FY2025. Such decrease was due to decrease in marketing staff costs in FY2025.

Administrative and other expenses

The administrative and other expenses significantly decreased by approximately HK\$18.2 million, or approximately 20.4% from approximately HK\$89.3 million for FY2024 to approximately HK\$71.1 million for FY2025 mainly due to the decrease in (i) administrative staff costs by approximately HK\$11.6 million; and (ii) general operating costs by approximately HK\$6.6 million as a result of strict cost control in FY2025.

Finance costs

Our finance costs decreased by approximately HK\$0.3 million, or approximately 6.6% from approximately HK\$4.6 million for FY2024 to approximately HK\$4.3 million for FY2025. Such decrease was mainly due to decrease in averaged bank borrowings.

Taxation

Our taxation increased by approximately HK\$2.5 million, or approximately 119.9% from approximately HK\$2.1 million for FY2024 to approximately HK\$4.6 million for FY2025. Such increase was mainly due to the increase in provision of profit tax for FY2025 by approximately HK\$2.0 million.

Profit for the year attributable to owners of the Company

The Group recorded profit attributable to owners of the Company of approximately HK\$24.5 million in FY2025 (FY2024: approximately HK\$29.7 million). The profit in FY2025 was mainly attributable to the increase in revenue and strict cost control and the gain on disposal of property and equipment.

Cash flow

The net cash generated from operating activities increased by approximately HK\$52.6 million from approximately HK\$13.8 million in FY2024 to approximately HK\$66.4 million in FY2025, representing a significant increase of approximately 381.0%.

Dividend

In view of the recent uncertainties in the market and the importance of maintaining sufficient liquidity for the Group's long-term development, the Board recommended not to declare a final dividend for FY2025.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

We financed our operation mainly through cash generated from our operating activities and bank borrowings. As at 31 March 2025, we had cash and cash equivalents of approximately HK\$82.7 million (as at 31 March 2024: approximately HK\$55.9 million), among which approximately 60.6% was denominated in Hong Kong Dollars, approximately 11.3% was denominated in United States Dollars, approximately 21.0% was denominated in Singapore Dollars and the remaining 7.1% was denominated in other currencies.

As at 31 March 2025, the Group's total bank borrowings reduced by approximately 83.3% from that of last year and amounted to approximately HK\$11.8 million (as at 31 March 2024: approximately HK\$70.5 million), which was mainly attributable to the repayment of mortgage loan in relation to the disposal of Singapore properties and the reduction of invoice financing in FY2025. As at 31 March 2025, all of the Group's bank borrowings were secured and guaranteed, and with repayment due dates ranging from 2025 to 2028 and all of which was denominated in Hong Kong Dollars. As at 31 March 2025, all of the bank borrowings bore floating interest rates.

The Group's gearing ratio which is defined as the sum of bank borrowings and lease liabilities at the respective year end divided by total equity as at respective year end and multiplied by 100%, was approximately 20.4% and 64.9% as at 31 March 2025 and 2024, respectively.

CAPITAL STRUCTURE

As at 31 March 2025, the capital structure of the Company comprised bank borrowings, cash and cash equivalents and equity attributable to owners of the Company, comprising share capital and reserves.

CAPITAL COMMITMENTS

As at 31 March 2025, the Group had no significant capital commitment in respect of property and equipment contracted but not provided for (31 March 2024: Nil).

SEGMENT INFORMATION

An analysis of the Group's revenue, assets and liabilities from reportable segments and by geographical locations is set out in note 4 to the consolidated financial statements in this annual results announcement.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have plans for material investments and capital assets as at 31 March 2025.

SIGNIFICANT INVESTMENTS

As at 31 March 2025, the financial assets at FVTPL of the Group amounted to approximately HK\$50.9 million (as at 31 March 2024: approximately HK\$45.5 million), mainly included unlisted preference shares investment of approximately HK\$46.5 million (as at 31 March 2024: approximately HK\$45.5 million).

The Directors considered that (i) investments with a carrying amount that account for more than 5% of the Group's audited consolidated total assets as at 31 March 2025; or (ii) investments which recorded realised or unrealised gain/(loss) of over HK\$5 million during FY2025 as significant investments.

Description of investments	Note	Carrying amount as at 1 April 2024 HK\$'000	Acquisition and disposal, net during the year HK\$'000	Fair value gain recognised in profit and loss, net during the year HK\$'000	Carrying amount as at 31 March 2025 HK\$'000	Percentage to the Group's audited total assets as at 31 March 2025
Financial assets at FVTPL						
Unlisted preference shares investment, at fair value						
– investment in the holding company of HKbitEX	(a)	45,510	–	1,015	46,525	5.20%
Equity securities listed in Hong Kong		–	3,453	930	4,383	0.49%
Total		45,510	3,453	1,945	50,908	5.69%

Note:

- (a) This unlisted preference shares investment, being 102,273 shares and originally represented approximately 6% of issued shares (on an as-converted basis) of the Tykhe Capital Group Limited (“Tykhe”). Subsequently, in July 2021, Tykhe completed a subscription agreement with several investors with respect to issuance of Pre-Series B Preference Shares of Tykhe and our shares represented approximately 5.82% of issued shares (on a converted basis) of Tykhe. Such unlisted preference shares investment was originally held for an identified long-term strategic purpose. The initial investment cost of such investment was approximately HK\$23.3 million. At the end of FY2025, the Group intended to dispose of such shares to willing buyers in the foreseeable future in order to maximise the returns of the shareholders of the Company.

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 obtained the approval in principle from the SFC for dealing in securities (Type 1) and automated trading services (Type 7) licences for 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 2025, the fair value of this unlisted preference shares investment was approximately HK\$46.5 million based on the valuation report prepared by an independent professional valuer.

Save as disclosed above, the Group had no other significant investment during FY2025.

CONNECTED TRANSACTION

On 26 April 2024, Edvance Financial Holdings Limited (“**Edvance Financial**”), a direct wholly-owned subsidiary of the Company, Jaguar Investment Limited (“**Jaguar Investment**”) and Mr. Liu Yui Ting Raymond (“**Raymond Liu**”), as vendors (“**Vendors**”), and three purchasers (“**Purchasers**”), who were third parties independent of the Company and its connected persons, entered into the sale and purchase agreement (“**Agreement**”) pursuant to which the Vendors agreed to sell and the Purchasers agreed to purchase the 15,500 ordinary shares (“**Sale Shares**”) of Axion Global Financial Group Limited (“**AGFG**”) (being the entire issued share capital of AGFG) at a total consideration of HK\$6,445,000, in which HK\$3,867,000 was attributable to the Group (“**Disposal**”).

As at the date of the Agreement and immediately before completion of the sale and purchase of the Sale Shares (“**Completion**”), Edvance Financial held 60% of the issued share capital of AGFG. Completion took place immediately after the signing of the Agreement. Immediately upon Completion, the Group ceased to hold any interest in the AGFG and its subsidiary.

As at the date of the Agreement, (i) Mr. Raymond Liu was an executive director, a chief executive officer and a controlling shareholder of the Company; and (ii) Jaguar Investment was wholly-owned by Mr. Raymond Liu and was therefore an associate of Mr. Raymond Liu. As such, Mr. Raymond Liu and Jaguar Investment 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**”). The entering into of the Agreement by Edvance Financial with Mr. Raymond Liu, Jaguar Investment and other parties of the Agreement constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

Further details of the Disposal were set out in the announcement of the Company dated 26 April 2024.

DISPOSAL OF SINGAPORE PROPERTIES

On 6 December 2024, Edvance Property Investment (Singapore) Pte. Ltd. (“**EPISG**”), an indirect wholly-owned subsidiary of the Company, as vendor, had issued options to purchase (“**Options to Purchase**”) to Sunho Investment Holdings Pte. Ltd. (“**Sunho Investment**”), as purchaser, pursuant to which EPISG had agreed to grant Sunho Investment options to purchase two properties located at 2 Sims Close #01-11 and #01-12 Gemini @ Sims, Singapore 387298 (collectively as the “**Singapore Properties**”) at the consideration of S\$2,800,000 (equivalent to approximately HK\$16,240,000) and S\$2,750,000 (equivalent to approximately HK\$15,950,000) respectively, exclusive of Goods and Services Tax in Singapore.

On 25 March 2025, all conditions precedent as set out in the Options to Purchase had been fulfilled and completion of the sale and purchase of the Singapore Properties (“**SP Completion**”) took place on the same day in accordance with the terms and conditions of the Options to Purchase. Upon SP Completion, EPISG and the Group ceased to have any interest in the Singapore Properties.

Further details of the disposal of the Singapore Properties were set out in the announcements of the Company dated 6 December 2024 and 25 March 2025.

MATERIAL ACQUISITIONS AND DISPOSALS

Saved as disclosed in this annual results announcement, the Group had no other material acquisitions or disposals of subsidiaries, associates and joint ventures during FY2025.

CONTINGENT LIABILITIES

As at 31 March 2025, the Group had no material contingent liabilities (as at 31 March 2024: Nil).

EXPOSURE TO EXCHANGE RATE FLUCTUATION

Certain subsidiaries of the Group have sales and purchases denominated in United States Dollars and Singapore Dollars. The Group did not use any financial instrument for hedging purposes during FY2025. The Group will continue to monitor its foreign currency risk exposure and will consider hedging when necessary.

CHARGE ON GROUP’S ASSETS

As at 31 March 2025, the Group’s bank borrowings were secured by the properties located in Hong Kong, and life insurance contracts entered into with a bank.

INFORMATION ON EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, the Group had 115 employees (as at 31 March 2024: 128 employees) and most of them were working in the Hong Kong offices. We incurred staff costs inclusive of performance related bonus, share based payments and directors' emoluments of approximately HK\$78.4 million and HK\$93.4 million for FY2025 and FY2024, 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 the interests of shareholders of the Company ("**Shareholders**").

The Company's corporate governance practices are based on the principles and code provisions ("**Code Provisions**") within the Corporate Governance Code ("**CG Code**") contained in Appendix C1 of the Listing Rules.

In the opinion of the Directors, save for the deviation of code provision C.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 FY2025 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 C.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 (“**Chairman**”) and the chief executive officer (“**Chief Executive Officer**”) of the Company during FY2025, it constituted a deviation from code provision C.2.1 of the CG Code.

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.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the rules set out in Appendix C3 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 FY2025 and up to the date of this annual results 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 FY2025 and up to the date of this annual results 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 (including sale of treasury shares) during FY2025 and up to the date of this annual results announcement.

COMPETING INTERESTS

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 FY2025 and up to the date of this annual results announcement.

FINAL DIVIDEND

The Board recommended not to declare a final dividend for FY2025, in order to maintaining sufficient liquidity for the Group's long-term development, in light of the recent uncertainties in the market (FY2024: Nil).

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in note 12 to the consolidated financial statements of this annual results 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 annual results announcement, the Company has maintained a sufficient prescribed public float of 25% of the total number of issued Shares pursuant to Rule 13.35 of 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 Mrs. Wong Hung Flavia Yuen Yee. 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 FY2025 have been audited. The Audit Committee has reviewed the audited consolidated financial statements of the Group for FY2025 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.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

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 FY2025 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 audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 23 June 2025. The work performed by Deloitte in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Deloitte in this annual results 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 D2 of the Listing Rules will be published on the aforesaid websites of the Company and the Stock Exchange in due course.

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

Hong Kong, 23 June 2025

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.