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**edvance**

**EDVANCE INTERNATIONAL HOLDINGS LIMITED**

**安領國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8410)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 MARCH 2019**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED  
(THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “**Directors**”) of Edvance International Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiary (together, “the Group”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

## **FINANCIAL HIGHLIGHTS**

The Group recorded revenue and gross profit of approximately HK\$369.4 million and HK\$98.5 million for the year ended 31 March 2019, representing an increase of approximately 22.2% and 16.2% respectively when compared with revenue and gross profit of approximately HK\$302.3 million and HK\$84.8 million for the year ended 31 March 2018.

The net profit after tax of the Group for the year ended 31 March 2019 increased to approximately HK\$26.2 million (year ended 31 March 2018: HK\$18.2 million). It was mainly due to the combined effect of increase in revenue, gross profit and distribution and selling expense during the year ended 31 March 2019.

The Board has recommended a final dividend of HK\$0.03 per share (year ended 31 March 2018: HK\$0.01 per share) subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

## ANNUAL RESULTS

The Directors is pleased to present the audited consolidated results of the Company and its subsidiaries (collectively, the “Group” or “we” or “our”) for the year ended 31 March 2019 (“FY2019”), together with the comparative audited figures for the preceding financial year ended 31 March 2018 (“FY2018”), as follow:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 March 2019*

		2019	2018
	NOTES	HK\$'000	HK\$'000
Revenue	4	369,410	302,323
Cost of sales		<u>(270,915)</u>	<u>(217,567)</u>
Gross profit		98,495	84,756
Other income		762	849
Other gains and losses, net		(492)	816
Distribution and selling expenses		(26,242)	(22,192)
Administrative and other expenses		(38,772)	(40,676)
Net impairment losses on trade receivables		(70)	–
Finance costs		<u>(647)</u>	<u>(506)</u>
Profit before taxation		33,034	23,047
Taxation	6	<u>(6,860)</u>	<u>(4,865)</u>
Profit for the year	7	26,174	18,182
Other comprehensive income for the year:			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		<u>171</u>	<u>218</u>
Total comprehensive income for the year		<u>26,345</u>	<u>18,400</u>
Earnings per share (HK cents)	8		
– basic		<u>2.62</u>	<u>1.84</u>
– diluted		<u>2.61</u>	<u>1.83</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	NOTES	2019 HK\$'000	2018 HK\$'000
Non-current assets			
Property and equipment		39,245	7,311
Deposits paid for acquisition of property and equipment		300	28,744
Prepayment and deposits	9	41,502	36,403
Deferred tax assets		–	93
		<u>81,047</u>	<u>72,551</u>
Current assets			
Inventories		7,763	9,390
Trade and other receivables, prepayments and deposits	9	152,815	122,698
Tax recoverable		–	2,905
Bank balances and cash		73,725	62,391
		<u>234,303</u>	<u>197,384</u>
Current liabilities			
Trade and other payables and accruals	10	42,751	110,915
Contract liabilities		82,775	–
Bank borrowings		4,403	8,585
Provision		–	1,826
Tax liabilities		5,045	2,710
		<u>134,974</u>	<u>124,036</u>
Net current assets		<u>99,329</u>	<u>73,348</u>
Total assets less current liabilities		<u>180,376</u>	<u>145,899</u>
Non-current liabilities			
Deferred revenue	10	–	31,196
Contract liabilities		38,395	–
Bank borrowings		22,135	12,723
		<u>60,530</u>	<u>43,919</u>
Net assets		<u>119,846</u>	<u>101,980</u>
Capital and reserves			
Share capital	11	10,014	10,000
Reserves		109,832	91,980
Total equity		<u>119,846</u>	<u>101,980</u>

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*For the year ended 31 March 2019*

### **1. GENERAL**

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 7 July 2016. Its ultimate and immediate holding company is Success Vision International Group Limited, which is incorporated in the British Virgin Islands (“BVI”). The Company’s shares have been listed on the GEM of the Stock Exchange on 19 April 2017 (the “Listing”).

The address of the registered office and principal place of business of the Company are PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands and 39/F, Monterey Plaza, 15 Chong Yip Street, Kwun Tong, Hong Kong respectively.

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

### **2. BASIS OF PREPARATION**

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and included applicable disclosures required by the GEM Listing Rules of the Stock Exchange and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared on the historical cost basis.

### 3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

#### **New and amendments to HKFRSs that are mandatorily effective for the current year**

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### **3.1 HKFRS 15 “Revenue from Contracts with Customers”**

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 April 2018. Any difference at the date of initial application is recognised in the opening accumulated profits and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 April 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 “Revenue” and the related interpretations.

The Group recognises revenue from the following major sources which arise from contracts with customers:

- procurement of network security products, system security products and application and data security products;
- provision of technical implementation services; and
- provision of maintenance and support services.

*Summary of effects arising from initial application of HKFRS 15*

The application of HKFRS 15 did not have a material impact on the timing and amounts of revenue recognised in the respective reporting periods, while the following adjustment was made to the amounts recognised in the consolidated statement of financial position at 1 April 2018. Line items that were not affected by the changes have not been included.

	<b>Carrying amounts previously reported at 31 March 2018</b>	<b>Adjustment</b>	<b>Carrying amounts under HKFRS 15 at 1 April 2018</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Note)	
<b>Current liabilities</b>			
Trade and other payables and accruals	110,915	(65,121)	45,794
Contract liabilities	–	65,121	65,121
<b>Non-current liabilities</b>			
Deferred revenue	31,196	(31,196)	–
Contract liabilities	–	31,196	31,196

*Note:* As at 1 April 2018, deferred revenue of HK\$96,317,000 previously included in trade and other payables and accruals were reclassified to contract liabilities.

### 3.2 HKFRS 9 “Financial Instruments” and the related amendments

In the current year, the Group has applied HKFRS 9 “Financial Instruments” and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities; 2) expected credit losses (“ECL”) for financial assets; and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening accumulated profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 “Financial Instruments: Recognition and Measurement”.

#### *Summary of effects arising from initial application of HKFRS 9*

The table below illustrates the classification and measurement (including impairment) of financial assets subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 April 2018.

	<i>NOTES</i>	<b>Amortised cost (previously classified as loans and receivables)</b> <i>HK\$’000</i>	<b>Deposits for life insurance contracts</b> <i>HK\$’000</i>	<b>Accumulated profits</b> <i>HK\$’000</i>
<b>Closing balance at 31 March 2018 – HKAS 39</b>		153,851	–	23,928
<b>Reclassification</b>				
From loans and receivables	(a)	(12,506)	12,506	–
<b>Remeasurement</b>				
Impairment under ECL model	(b)	(550)	–	(550)
<b>Opening balance at 1 April 2018</b>		<u>140,795</u>	<u>12,506</u>	<u>23,378</u>



*Notes:*

(a) Deposits for life insurance contracts

Since 1 April 2018, deposits for life insurance contracts of HK\$12,506,000 have been measured at cost adjusted for interest income and service charges, less impairment losses, if any.

(b) Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. Debtors have been assessed individually with aggregated outstanding balances exceeding HK\$1,000,000, and the remaining debtors balances are grouped based on shared credit risk characteristics.

ECL for other financial assets at amortised cost, mainly comprise of bank balances and cash and other receivables, are assessed on 12-month ECL basis as there had been no significant increase in credit risk since initial recognition.

As at 1 April 2018, the impairment losses on trade receivables of HK\$550,000 have been recognised against accumulated profits upon the application of HKFRS 9. The additional impairment losses is charged against the allowance account.

Allowance for credit losses on trade receivables as at 31 March 2018 reconciled to the opening loss allowance as at 1 April 2018 is as follows:

	<i>HK\$ '000</i>
At 31 March 2018 – HKAS 39	–
Amounts remeasured through opening accumulated profits	<u>(550)</u>
At 1 April 2018	<u><u>(550)</u></u>

## **New and amendments to HKFRSs in issue but not yet effective**

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

HKFRS 16	Leases <sup>1</sup>
HKFRS 17	Insurance Contracts <sup>3</sup>
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments <sup>1</sup>
Amendments to HKFRS 3	Definition of a Business <sup>4</sup>
Amendments to HKFRS 9	Prepayment Features with Negative Compensation <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to HKAS 1 and HKAS 8	Definition of Material <sup>5</sup>
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement <sup>1</sup>
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle <sup>1</sup>

- 1 Effective for annual periods beginning on or after 1 January 2019
- 2 Effective for annual periods beginning on or after a date to be determined
- 3 Effective for annual periods beginning on or after 1 January 2021
- 4 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020
- 5 Effective for annual periods beginning on or after 1 January 2020

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

### ***HKFRS 16 “Leases”***

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 “Leases” and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents operating lease payments as operating cash flows. Upon application of the HKFRS 16, lease payments in relation to lease liability would be allocated into a principal and an interest portion which would be presented as financing cash flows by the Group.

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 March 2019, the Group has non-cancellable operating lease commitments of HK\$16,945,000. A preliminary assessment indicates that these arrangements would meet the definition of a lease. Upon application of HKFRS 16, the Group would recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of HK\$1,466,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits would be adjusted to amortised cost and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be included in the carrying amount of right-of-use assets.

The application of new requirements would result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) – Int 4 “Determining whether an Arrangement contains a Lease” and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC) – Int 4. Therefore, the Group would not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and would recognise the cumulative effect of initial application to opening accumulated profits without restating comparative information.

#### 4. REVENUE

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

##### (i) For the year ended 31 March 2019

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

	<i>HK\$'000</i>
Types of goods or services:	
IT Security Products business*	
– procurement of network security products, system security products and application and data security products	<u>227,248</u>
IT Security Services business*	
– provision of technical implementation services	25,882
– provision of maintenance and support services	<u>116,280</u>
	<u>142,162</u>
	<u><u>369,410</u></u>

\* The segment names are defined in the section “Segment information” in note 5 of this announcement.

**(ii) For the year ended 31 March 2018**

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

	<i>HK\$'000</i>
Types of goods or services:	
IT Security Products business*	
– procurement of network security products, system security products and application and data security products	<u>182,224</u>
IT Security Services business*	
– provision of technical implementation services	27,474
– provision of maintenance and support services	<u>92,625</u>
	<u>120,099</u>
	<u><u>302,323</u></u>

\* The segment names are defined in the section “Segment information” in note 5 of this announcement.

**5. SEGMENT INFORMATION**

**Segment revenue and results**

The Group determines its operating segments based on the reports reviewed by the executive Directors who are also the chief operating decision makers (“CODM”) that are used to make strategic decisions. Information reported to the CODM is based on the business lines operating by the Group. No operating segments have been aggregated to form the following reportable segments.

Details of the Group's operating and reportable segments are as follows:

- (1) IT Security Products business refers to the procurement of network security products, system security products and application and data security products by the Group; and
- (2) IT Security Services business refers to the provision of technical implementation and maintenance and support services to customers by the Group.

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

	<b>IT Security Products business HK\$'000</b>	<b>IT Security Services business HK\$'000</b>	<b>Total HK\$'000</b>
<b>For the year ended 31 March 2019</b>			
Segment revenue	<u>227,248</u>	<u>142,162</u>	<u>369,410</u>
Segment results	<u>53,558</u>	<u>44,937</u>	98,495
Other income			762
Other gains and losses, net			(492)
Distribution and selling expenses			(26,242)
Administrative and other expenses			(38,772)
Net impairment losses on trade receivables			(70)
Finance costs			<u>(647)</u>
Profit before taxation			<u>33,034</u>
	<b>IT Security Products business HK\$'000</b>	<b>IT Security Services business HK\$'000</b>	<b>Total HK\$'000</b>
<b>For the year ended 31 March 2018</b>			
Segment revenue	<u>182,224</u>	<u>120,099</u>	<u>302,323</u>
Segment results	<u>39,382</u>	<u>45,374</u>	84,756
Other income			849
Other gains and losses, net			816
Distribution and selling expenses			(22,192)
Administrative and other expenses			(40,676)
Finance costs			<u>(506)</u>
Profit before taxation			<u>23,047</u>

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment result represents the profit earned by each segment without allocation of other income, other gains and losses, selling and distribution expenses, administrative and other expenses, net impairment losses on trade receivables, finance costs and taxation.

No analysis of the Group's assets and liabilities by operating and reportable segments is disclosed as it is not regularly provided to the CODM for review.

## 6. TAXATION

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Current tax:		
Hong Kong Profits Tax	6,064	3,814
The People's Republic of China ("PRC") Enterprise Income Tax ("EIT")	369	401
Macau Complementary Tax	328	576
	<u>6,761</u>	<u>4,791</u>
Underprovision (overprovision) in respect of prior year:		
Hong Kong Profits Tax	6	(127)
Deferred tax charged	93	201
	<u>6,860</u>	<u>4,865</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduced the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

For the year ended 31 March 2019, Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits of one of the subsidiaries of the Company and at 16.5% on the estimated assessable profits above HK\$2,000,000. The profits of corporations not qualified for the two-tier profits tax regime will continue to be taxed at a flat rate of 16.5%.

For the year ended 31 March 2018, Hong Kong Profits Tax was calculated at a flat rate of 16.5% of the estimated assessable profits.

PRC EIT is calculated at 25% of the assessable profits for both years.

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

The Republic of Singapore ("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 year ended 31 March 2019 and the assessable profits were absorbed by the tax losses carried forward for the year ended 31 March 2018.

## 7. PROFIT FOR THE YEAR

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Profit for the year has been arrived at after charging:		
Staff costs:		
Directors' remuneration	9,254	9,475
Other staff costs	42,778	38,562
Share-based payments	1,138	1,860
Contributions to retirement benefits schemes	2,643	1,617
	<u>55,813</u>	<u>51,514</u>
Auditor's remuneration	1,200	1,200
Cost of inventories recognised as an expense (including the allowance for inventories of HK\$2,570,000 (2018: HK\$496,000))	173,690	142,842
Depreciation of property and equipment	4,837	3,750
Minimum lease payments in respect of office premises	5,835	6,457
Listing related expenses (included in administrative and other expenses) (note)	<u>–</u>	<u>1,383</u>

*Note:* The Company's shares have been listed on the GEM of the Stock Exchange on 19 April 2017. Total expenses directly attributable to the Listing ("Listing related expenses") were HK\$1,423,000 and HK\$17,665,000, respectively, during the years ended 31 March 2018 and 2017.

Included in the Listing related expenses, amounts of HK\$40,000 and HK\$241,000 for the years ended 31 March 2018 and 2017, respectively, represented interests on bank borrowings for the purpose of the settlement of the listing expenses and were incorporated in "finance costs" on the consolidated statement of profit or loss and other comprehensive income.

Included in the Listing related expenses, amounts of HK\$1,205,000 and HK\$633,000 for the years ended 31 March 2018 and 2017, respectively, were included in "administrative expenses" on the consolidated statement of profit or loss and other comprehensive income.

In order to conform with the presentation of the consolidated financial statements in current year, listing expenses of HK\$178,000 and HK\$16,791,000 previously presented as "listing expenses" were incorporated in "administrative and other expenses" on the consolidated statement of profit or loss and other comprehensive income during the year ended 31 March 2018 and 2017, respectively.



## 8. EARNINGS PER SHARE

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

	<b>2019</b> <i>HK\$'000</i>	2018 <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><b>26,174</b></u>	<u>18,182</u>
	<b>2019</b> <b>Number</b> <b>of shares</b> <b>'000</b>	2018 Number of shares '000
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<b>1,000,877</b>	987,671
Add: Effect of dilutive potential ordinary shares under share option scheme	<u><b>3,331</b></u>	<u>4,161</u>
Weight average number of ordinary shares for the purpose of calculating diluted earnings per share	<u><b>1,004,208</b></u>	<u>991,832</u>

## 9. TRADE AND OTHER RECEIVABLES, PREPAYMENT AND DEPOSITS

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
<b>Current</b>		
Trade receivables	93,210	78,527
Less: allowance for credit losses	(620)	–
	<u>92,590</u>	<u>78,527</u>
Prepayment to suppliers for maintenance and support services	55,869	39,156
Other tax receivables	1,054	3,070
Prepayment and others	3,302	1,945
	<u>152,815</u>	<u>122,698</u>
<b>Non-current</b>		
Rental deposits	1,466	1,484
Deposits for life insurance contracts	12,836	12,506
Prepayment of life insurance charged	496	537
Prepayment to suppliers for maintenance and support services	26,704	21,876
	<u>41,502</u>	<u>36,403</u>
Total trade and other receivables, prepayment and deposits	<u><u>194,317</u></u>	<u><u>159,101</u></u>

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

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
0 to 30 days	56,762	44,112
31 to 60 days	14,777	19,710
61 to 90 days	10,429	7,900
91 to 120 days	3,554	3,007
121 to 365 days	7,068	3,798
	<u>92,590</u>	<u>78,527</u>

## 10. TRADE AND OTHER PAYABLES AND ACCRUALS

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

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Trade payables	32,934	33,691
Accrued expense	3,408	4,238
Accrued staff costs	6,031	6,015
Deferred revenue	–	96,317
Others	378	1,850
	<u>42,751</u>	<u>142,111</u>
Analysed as:		
Current	42,751	110,915
Non-current	–	31,196
	<u>42,751</u>	<u>142,111</u>

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

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
0 to 30 days	25,345	25,897
31 to 60 days	2,378	2,602
61 to 90 days	217	–
91 to 120 days	–	–
121 to 365 days	11	207
Over 365 days	4,983	4,985
	<u>32,934</u>	<u>33,691</u>

## 11. SHARE CAPITAL

Details of the shares of the Company are as follows:

	Number of shares	<i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2017, 31 March 2018 and 31 March 2019	<u>2,000,000,000</u>	<u>20,000</u>
Issued and fully paid:		
At 1 April 2017	100	–
Capitalisation issue (note i)	749,999,900	7,500
Issue of shares (note ii)	<u>250,000,000</u>	<u>2,500</u>
At 31 March 2018	1,000,000,000	10,000
Issue of shares upon exercise of share options (note iii)	<u>1,446,000</u>	<u>14</u>
At 31 March 2019	<u>1,001,446,000</u>	<u>10,014</u>

*Notes:*

- (i) On 19 April 2017, 749,999,900 shares of the Company were issued to the then shareholders of the Company through capitalisation of HK\$7,499,999 standing to the credit of share premium account of the Company.
- (ii) The shares of the Company have been listed on the Stock Exchange on 19 April 2017. 250,000,000 shares of HK\$0.01 each of the Company were issued at an offer price of HK\$0.32 per share.
- (iii) During the year ended 31 March 2019, a total of 1,446,000 new ordinary shares of HK\$0.01 each were issued upon exercise of the share options of the Company.

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

## 12. DIVIDEND

A final dividend of HK\$0.03 per share of the Company in respect of the year ended 31 March 2019 has been proposed by the Directors, 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 the year ended 31 March 2018 has been declared and paid by the Company during the year ended 31 March 2019.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group recorded satisfactory business performance in FY2019. This year, the Group made numerous provisions for a demanding market and continuously looked to increase our cyber security solution offerings, enhance our technical capabilities as well as to improve our manageability.

On the one hand, the Group continued to come into new distributor relationships with emerging vendors (three distributorships were agreed during the financial year), while the Group also incorporated Edvance Information Technology Development (Shenzhen) Co. Ltd in the Greater Bay Area of the PRC in Jan 2019. The subsidiary would be actively seeking for IT security products from the PRC to be offered through integration as a solution on our platform, making them available to our clients.

The Group also established Green Radar in Hong Kong and Singapore in Jan 2019. Essentially a cloud based “security-as-a-service” provider focusing on email & endpoint “detection & response” security protection by applying big data, global threat intelligence, artificial intelligence technology, together with the Group’s expertise on security. Its aim is to make cutting edge cybersecurity solutions available to the market in a cost-effective rental manner, allowing smaller enterprises to also enjoy the benefits of advanced cybersecurity protection.

In making its preparation to enhance the overall readiness for the Group to continue to grow its business, management has dedicated attention to bringing up the skillset of the technical team, especially in the soft skills aspects, resulting in better customer satisfaction in our deliverables from presales to project delivery to support experience this year. The Group would endeavour to continue these exercises to encourage continuous development.

The previously deployed ERP system has undergone continuous enhancement to integrate further business modules for different aspects of our business, to further enhance overall efficiency, bringing in established procedures, performance measures, exception handling into our management framework. Thus enabling further management intelligence and informed decisions.

All in all, FY2019 was a successful year for the Group. While the financial figures were positive and sound, the Group invested in different business models as well as quality improvement measures to ensure organic and healthy growth for the long run.

## **OUTLOOK AND PROSPECTS**

In the last one year, it can be seen that enterprises are evolving and adapting to new trends in conducting their business activities; DevOps and cloud services are gaining traction locally, while IoT concepts are being drawn into their business plans. All these would mean new challenges from a cybersecurity perspective.

Enterprises are already aware of the impact from traditional cyberthreats. However, there is also increased interests in these emerging techniques and their implication from the security standpoint. As enterprises open up, so too would the evolving cybersecurity challenges that come with it.

Cybercrimes are catching on quickly and getting increasingly adaptive and sophisticated, yet the industry is faced with a lack of cybersecurity experts and when available is generally expensive to deploy. This all points to a high industry demand for better cybersecurity products and services with minimal overhead.

In this climate, the Group continues to see strong interest in cyber security from the market across our key trading geographies, contributing to business growth in the short and medium term. Our business model in Green Radar aims to address some of the concerns, making available cutting-edge cybersecurity protection without the expensive costs for organizations to operate them.

As we go into 2019, we see that there are a lot of challenges in delivering effective cybersecurity solutions, and the Group made preparation to adapt to the changing market demands and capture it. Along with the other investments in place, the Group believes that these measures would continue to enhance the overall competitive position in our operating environments and contribute to our success.

## **FINANCIAL REVIEW**

### **Revenue**

Our revenue increased by approximately HK\$67.1 million, or 22.2% from approximately HK\$302.3 million for FY2018 to approximately HK\$369.4 million for FY2019. The increase was mainly attributable to: (1) increasing market demands of cybersecurity products/services; and (2) improvement in operating results.

### **Gross profit and gross profit margin**

Our gross profit increased by approximately HK\$13.7 million, or 16.2% from approximately HK\$84.8 million for FY2018 to approximately HK\$98.5 million for FY2019. The increase was in line with the increase in revenue. Our gross profit margin slightly decreased from 28.0% for FY2018 to 26.7% for FY2019.

## **Other income**

Our other income mainly comprises of bank interest income and interest income from deposits for life insurance contracts that we purchased for our Directors and senior staffs.

## **Other gains and losses, net**

Our other gains and losses mainly comprise of net foreign exchange loss. Net foreign exchange loss of approximately HK\$522,000 was incurred for FY2019, which was mainly due to fluctuation of USD and Renminbi, while net foreign exchange gain of approximately HK\$637,000 was noted for FY2018.

## **Distribution and selling expenses**

Our distribution and selling expenses increased by approximately HK\$4.0 million, or 18.0% from approximately HK\$22.2 million for FY2018 to approximately HK\$26.2 million for FY2019. The increase was mainly attributed by the increase in sales staff cost.

## **Administrative and other expenses**

Our administrative and other expenses decreased by approximately HK\$1.9 million, or 4.7% from approximately HK\$40.7 million for FY2018 to approximately HK\$38.8 million for FY2019. The decrease was mainly due to the absence of listing related expenses approximately HK\$1.4 million incurred in FY2018.

## **Finance costs**

Our finance costs slightly increased by approximately HK\$0.1 million, or 20.0% from approximately HK\$0.5 million for FY2018 to approximately HK\$0.6 million for FY2019.

## **Taxation**

Our taxation increased by approximately HK\$2.0 million, or 40.8% from approximately HK\$4.9 million for FY2018 to approximately HK\$6.9 million for FY2019. The increase was mainly due to higher taxable profit in FY2019 as a result of increased gross profit.

## **Profit for the year attributable to owners of the Company**

Our profit attributable to owners of the Company increased by approximately HK\$8.0 million, or 44.0% from HK\$18.2 million for FY2018 to approximately HK\$26.2 million for FY2019. The increase was mainly attributed by the increase in revenue and gross profit.

Included in the listing related expenses, amounts of HK\$40,000 and HK\$241,000 for FY2018 and the years ended 31 March 2017 (“FY2017”), respectively, represented interests on bank borrowings for the purpose of the settlement of the listing expenses and were incorporated in “finance costs” on the consolidated statement of profit or loss and other comprehensive income.

Included in the listing related expenses, amounts of HK\$1,205,000 and HK\$633,000 for FY2018 and FY2017, respectively, were included in “administrative expenses” on the consolidated statement of profit or loss and other comprehensive income.

	<b>2019</b> <i>HK\$'000</i>	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Profit/(loss) for the year attributable to owner of the company	<u>26,174</u>	<u>18,182</u>	<u>(5,414)</u>
Exclude listing related expenses			
Previously reported in 2017/18 annual report	–	178	16,791
Listing related expenses included in administrative expenses	–	1,205	633
Listing related expense included in finance cost	–	40	241
<b>Restated listing related expenses</b>	<u>–</u>	<u>1,423</u>	<u>17,665</u>
<b>Normalised profit for the year attributable to owner of the company</b>	<u><u>26,174</u></u>	<u><u>19,605</u></u>	<u><u>12,251</u></u>

Excluding above non-recurring listing related expenses approximately HK\$1.4 million and HK\$17.7 million for FY2018 and FY2017, respectively, normalised profit attributable to owners of the Company is approximately HK\$19.6 million and HK\$12.3 million for FY2018 and FY2017, respectively.

The Group should have recorded profit attributable to owners of the Company, which increased by approximately HK\$6.6 million or 33.7% from normalised profit attributable to owners of the Company HK\$19.6 million for FY2018 to approximately HK\$26.2 million for FY2019.



## **Cash flow**

The cash generated from operating activities increased significantly by HK\$12.4 million from approximately HK\$11.4 million in FY2018 to approximately HK\$23.8 million in FY2019, representing 108.8% increment. The increase in cash generated was mainly due to increase in revenue and profit for the year.

## **LIQUIDITY, FINANCIAL RESOURCES AND FUNDING**

We financed our operation mainly through cash generated from our operating activities. As at 31 March 2019 and 2018, we had cash and cash equivalents of approximately HK\$73.7 million and HK\$62.4 million respectively. The Group's gearing ratio, which is calculated based on the total debt (defined as the sum of bank borrowings as at the respective year end divided by total equity as at the respective year end) was approximately 22.1% and 20.9% as at 31 March 2019 and 2018 respectively.

## **CAPITAL STRUCTURE**

As at 31 March 2019, the capital structure of the Company comprised issued share capital and reserves.

## **COMMITMENTS**

As at 31 March 2019, the Group has capital commitments of approximately HK\$300,000 in respect of property and equipment contracted but not provided for.

## **SEGMENT INFORMATION**

An analysis of the Group's revenue from operations and by geographical locations of customers is set out in note 5 of the consolidated financial statements.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Save as disclosed in the prospectus dated 31 March 2017 (the "**Prospectus**"), the Group does not have other plans for material investments and capital assets.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES**

During FY2019, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

## **CONTINGENT LIABILITIES**

As at 31 March 2019, the Group has no material contingent liabilities.

## **EXPOSURE TO EXCHANGE RATE FLUCTUATION**

The Group's purchase are primarily denominated and settled in US 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 FY2019.

## **CHARGE ON GROUP'S ASSETS**

As at 31 March 2019, the Group's bank borrowings were secured by the deed of assignment of all rights relating to properties together with mortgage-in-escrow to be perfected as first legal mortgage of the properties located in Singapore and life insurance contracts entered into with a bank.

## **INFORMATION ON EMPLOYEES**

As at 31 March 2019, the Group had 86 employees (as at 31 March 2018: 84 employees) and most of them were working in the Hong Kong headquarters. We incurred staff costs inclusive of performance related bonus, bonus and directors' emoluments in the aggregate of approximately HK\$55.8 million and HK\$51.5 million for FY2019 and FY2018, respectively. We regularly review the performance of our employees and make reference to such performance reviews in our salary review and promotional appraisal in order to attract and retain talented employees. For our sale staffs, we offer a package comprises of basic salary and performance incentive scheme.

## COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The following is a comparison of the Group's business plan as set out in the Prospectus of the Company with actual business progress up to 31 March 2019.

### **Business objectives up to 31 March 2019 as set out in the Prospectus**

### **Actual implementation plan up to 31 March 2019**

Expansion and renovation of our Hong Kong headquarters	The Group completed the expansion of its headquarters which was fully operational in July 2017.
Establishment of the detection and response centre	The Group established detection and response centre which was operational in November 2018.
Upgrading our management system	The management system had been implemented in business operations and continues to enhance it.
Upgrading the network infrastructure	The Group had upgraded the network infrastructure and continues to enhance it.
Expansion of operation in Singapore as the Services Hub together with its renovation	The Group completed the expansion of its Singapore Services Hub which was operational in October 2018.
Investment in demonstration equipment	Demonstration equipments were purchased for our Group's pitching activities.
Increasing the marketing efforts	Marketing and promotional activities and campaigns, including joint marketing events with our vendors, training workshops, public relations event, sponsoring public events etc, were carried out.
Expanding our workforce	The Group employed twelve IT technical staff, nine sales staff and ten administrative staff in Hong Kong and Singapore.

## USE OF PROCEEDS FROM THE LISTING

The Shares were listed on GEM on 19 April 2017 (the “Listing Date”). The net proceeds from the Listing (after deducting the underwriting fees and related expenses) amounted to approximately HK\$56.0 million will be used for the intended purposes as set out in the section headed “Business Objectives and Future Plans” of the Prospectus. Set out below is the actual use of net proceeds up from the Listing Date to 31 March 2019:

Use of proceeds	Net proceeds from the Listing <i>HK\$ million</i>	Planned use of net proceeds as stated in the Prospectus up to 31 March 2019 <i>HK\$ million</i>	Actual use of net proceeds up to 31 March 2019 <i>HK\$ million</i>	Amount remaining <i>HK\$ million</i>
Expansion and renovation of Hong Kong headquarters	3.2	3.2	3.2	–
Establishment of the detection and response centre	2.4	2.4	1.7	0.7
Upgrading the management systems	3.7	2.7	3.1	0.6
Upgrading the network infrastructure	1.2	1.2	0.8	0.4
Expansion of operation in Singapore as the Services Hub together with its renovation	22.5	22.5	22.0	0.5
Investment in demonstration equipment	3.0	3.0	3.0	–
Increasing the marketing efforts	1.2	0.9	1.2	–
Expanding the workforce	16.7	11.2	13.9	2.8
General working capital	2.1	1.7	1.7	0.4
Total	<u>56.0</u>	<u>48.8</u>	<u>50.6</u>	<u>5.4</u>

## **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 15 of the GEM Listing Rules.

Under code provision A.6.7, the Board members should attend general meetings and develop a balanced understanding of the views of shareholders of the Company. Due to other unavoidable business engagement, the non-executive Directors, Dr. Tang Sing Hing Kenny and Mr. Lo Wai Ho Ashley and the independent non-executive Director Mr. Yu Kwok Chun Raymond were unable to attend the Company's annual general meeting held on 3 August 2018.

Pursuant to code provision C.3.3 of the CG code, the members of the AC should meet at least once every six (6) months to consider the budget, revised budget, interim report and annual report prepared the Board and meet the external auditors at least twice a year. During the reviewed period, the members of the AC only met once with the external auditors which is deviated from code provision C.3.3 due to their other business commitments in which they could not meet at same time within the reviewing period.

In the opinion of the Directors, save for the deviation of code provision A.6.7 and C.3.3 of the CG Code, the Company has complied with the Code Provisions as set out in the CG Code during the year ended 31 March 2019 to ensure that the Group's business activities and decision-making processes are regulated in a proper and prudent manner.

### **Directors' Securities Transactions**

The Company has adopted the rules set out in rules 5.48 to 5.67 of the GEM Listing Rules as the code for dealing in securities of the Company by the Directors (the "**Model Code**"). Having made specific enquiry, all the Directors have confirmed that they have complied with the Model Code for the year ended 31 March 2019 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 (the "**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 the year ended 31 March 2019 up to the date of this announcement.

## **Final Dividend and Closure of Register of Members**

The Board has recommended a final dividend of HK\$0.03 per Share (FY 2018: HK\$0.01 per Share) subject to the approval of the Company's shareholders at the forthcoming annual general meeting. Details of the dividend for the year ended 31 March 2019 are set out in note 12 to the consolidated financial statements, the final dividend will be payable on or around 30 August 2019 to the Company's shareholders whose names appear on the register of the members of the Company on Monday, 19 August 2019.

The proposed final dividend is subject to the passing of an ordinary resolution by the Shareholders at the 2019 AGM. The record date for entitlement to the proposed final dividend is Monday, 19 August 2019. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 15 August 2019 to Monday, 19 August 2019, 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 Wednesday, 14 August 2019. The payment of final dividend will be made on or about Friday, 30 August 2019.

## **Purchase, sales or redemption of the company's listed securities**

Neither the Company, nor any of its subsidiaries have purchased, sold or redeemed any securities of the Company during the year ended 31 March 2019 and up to the date of this announcement.

## **Competing Interest**

During the year ended 31 March 2019, none of the Directors or the controlling shareholders of the Company or their close associates (as defined in the GEM Listing Rules) is interested in any business which competes or may compete, either directly or indirectly, with the business of the Group nor any conflicts of interest which has or may have with the Group.

## **Interests of the Compliance Adviser**

As notified by Titan Financial Services Limited ("**Titan Financial**"), the Company's compliance adviser, save for the compliance agreement entered into between the Company and Titan Financial dated 15 December 2016 in connection with the Listing, none of Titan Financial or its directors, employees or associates (as defined in the GEM Listing Rules) had any interest in the Group as at 31 March 2019, which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

## **Annual General Meeting and Closure of Register of Members**

The 2019 AGM will be held on Thursday, 8 August 2019.

The register of members of the Company will be closed from Friday, 2 August 2019 to Thursday, 8 August 2019, both dates inclusive, during which period no transfer of Shares will be registered, for ascertaining Shareholder's entitlement to attend and vote at the 2019 AGM to be held on Thursday, 8 August 2019. In order to qualify for attending and voting at the 2019 AGM, all properly completed transfer forms 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 no later than 4:00 p.m. on Thursday, 1 August 2019.

## **Share option**

The shareholders of the Company approved and adopted the Share Option Scheme by way of written resolutions on 23 March 2017.

During the year ended 31 March 2019, no options were granted by the Company pursuant to the Share Option Schemes. No options were cancelled but options in respect of 1,446,000 Shares were exercised, whereas options in respect of 1,588,000 Shares were lapsed during the year ended 31 March 2019.

As a result of the options exercised during the year ended 31 March 2019, 1,446,000 Shares were issued by the Company, and the Company received a total cash consideration of approximately HK\$940,000 in respect of such option exercises. The weighted average closing price of the Shares immediately before the dates on which these options were exercised is HK\$0.99 per Share.

As at the date of this announcement, the total number of Shares still available for issue under the Share Option Schemes shall be 12,176,000 Shares, representing approximately 1.2% of the Company's issued share capital as at that date.

## **Event after the Reporting Period**

The Directors are not aware of any significant event which had material effect on the Group subsequent to 31 March 2019 and up to the date of this announcement.

## **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 the year ended 31 March 2019 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

## **Audit Committee**

The Audit Committee is delegated with the authority from the Board to provide independent oversight of the Group's financial reporting and internal control systems, and the adequacy of the external audits.

The Audit Committee currently consists of three independent non-executive Directors namely Mr. Ng Tsz Fung Jimmy, Mr. Chan Siu Ming Simon and Mr. Yu Kwok Chun Raymond. The chairman of the Audit Committee is Mr. Ng Tsz Fung, Jimmy, who has appropriate professional qualifications and experience in accounting matters.

The audited consolidated financial statements of the Group for FY2019 have been reviewed by the Audit Committee, which was of the opinion that the audited consolidated financial statements had been prepared in compliance with the applicable accounting standards and the GEM Listing Rules.

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

Hong Kong, 17 June 2019

*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 Directors are Dr. Tang Sing Hing Kenny and Mr. Lo Wai Ho Ashley, and the independent non-executive Directors are Mr. Yu Kwok Chun Raymond, Mr. Ng Tsz Fung Jimmy and Mr. Chan Siu Ming Simon.*

*This announcement will remain on the website of the GEM of The Stock Exchange of Hong Kong Limited at [www.hkgem.com](http://www.hkgem.com) on the "Latest Listed Company Information" page for at least 7 days from the date of its posting and on the website of the Company at [www.edvancesecurity.com](http://www.edvancesecurity.com).*