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EDVANCE INTERNATIONAL HOLDINGS LIMITED

安領國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1410)

**CONNECTED TRANSACTION –
ACQUISITION OF ALL ISSUED SHARES OF THE TARGET**

CONNECTED TRANSACTION – ACQUISITION OF THE SALE SHARES OF THE TARGET

After trading hours on 9 October 2020, the Company, as the purchaser, entered into the Sale and Purchase Agreement with the Vendors, pursuant to which the Company has agreed to purchase the Sale Shares and the Vendors have agreed to sell the Sale Shares at the Consideration.

As at the date of this announcement, the Target is owned as to (i) 89% directly by Mr. Raymond Liu; (ii) 8% directly by Mr. Wan; (iii) 1.5% directly by Mr. Sin; and (iv) 1.5% directly by Ms. Law.

Completion has taken place immediately after execution of the Sale and Purchase Agreement and the Target became a wholly-owned subsidiary of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Mr. Raymond Liu is an executive Director and a Controlling Shareholder of the Company indirectly holding an aggregate of 570,000,000 Shares, representing approximately 56.72% of the entire issued share capital of the Company. Therefore, Mr. Raymond Liu being the chief executive officer, an executive Director and a Controlling Shareholder is a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Sale and Purchase Agreement with Mr. Raymond Liu constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Given that Mr. Raymond Liu under the Acquisition is the same connected person as the connected person in the Previous Transaction, the transaction contemplated under the Acquisition and the Previous Transaction shall be aggregated pursuant to Rule 14A.81 of the Listing Rules. As all the applicable percentage ratios calculated after aggregation are more than 0.1% but less than 5%, the transaction contemplated under the Sale and Purchase Agreement is subject to annual review and reporting requirements but is exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(A) CONNECTED TRANSACTION

1. The Sale and Purchase Agreement

After trading hours on 9 October 2020, the Company, as the purchaser, entered into the Sale and Purchase Agreement with the Vendors.

Principal terms of the Sale and Purchase Agreement are summarised below:

Date	:	9 October 2020
Parties	:	(i) the Company (as purchaser); (ii) Mr. Raymond Liu (as a vendor); (iii) Mr. Wan (as a vendor); (iv) Mr. Sin (as a vendor); and (v) Ms. Law (as a vendor)
Subject Matter	:	The Company has agreed to purchase the Sale Shares and the Vendors have agreed to sell the Sale Shares at the Consideration.
Consideration	:	HK\$3,500,000 The Consideration was determined after arm's length negotiations between the Company and the Vendors, on normal commercial terms with reference to (i) comparable industries in the market; (ii) the appraised value of the Target Group as at 30 September 2020, assessed by an independent professional valuer adopting the market approach; and (iii) the business potential synergy and business prospects to be brought to the Group by the Target Group following Completion. The Consideration was settled in full by cash at the Completion and the Group have financed the Consideration by its internal resources.
Completion	:	Upon execution of the Sale and Purchase Agreement on 9 October 2020.

2. Reasons for and benefits of entering into the Sale and Purchase Agreement

The principal activity of the Company is investment holding. The Group is principally engaged in the distribution of IT Security Products and the provision of IT Security Services in Hong Kong, Macau, the PRC and Singapore.

Given that the online marketing and multimedia production services provided by the Target Group, and the continuing expansion and diversification of the Group's businesses, the Board considers that the Acquisition will provide strong synergies to the Group which would enhance the sales of the Group's existing IT Security Products and also facilitate the Group's future developments.

In view of the above, the Directors (including the independent non-executive Directors) considers that the terms of the Sale and Purchase Agreement are fair and reasonable, on normal commercial terms, and the Acquisition is in the best interest of the Company and the Shareholders as a whole. Mr. Raymond Liu (being an executive Director and one of the direct shareholders of the Target has abstained from voting on the relevant resolutions of the Board approving the Sale and Purchase Agreement and the transactions contemplated thereunder. Save as disclosed in this announcement, none of the other Directors has any material interest in the Target Group, and hence no other Directors are required to abstain from voting on such resolutions of the Board.

3. Listing Rules Implications

As at the date of this announcement, Mr. Raymond Liu is an executive Director and a Controlling Shareholder of the Company indirectly holding an aggregate of 570,000,000 Shares, representing approximately 56.72% of the entire issued share capital of the Company. Therefore, Mr. Raymond Liu being the chief executive officer, an executive Director and a Controlling Shareholder is a connected person of the Company under the Listing Rules.

As at the date of this announcement, the Target is owned as to (i) 89% directly by Mr. Raymond Liu; (ii) 8% directly by Mr. Wan; (iii) 1.5% directly by Mr. Sin; and (iv) 1.5% directly by Ms. Law. Accordingly, the entering into of the Sale and Purchase Agreement with Mr. Raymond Liu constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Given that Mr. Raymond Liu under the Acquisition is the same connected person as the connected person in the Previous Transaction, the transaction contemplated under the Acquisition and the Previous Transaction shall be aggregated pursuant to Rule 14A.81 of the Listing Rules. As all the applicable percentage ratios calculated after aggregation are more than 0.1% but less than 5%, the transaction contemplated under the Sale and Purchase Agreement is subject to annual review and reporting requirements but is exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(B) INFORMATION OF THE TARGET GROUP

The Target is a company incorporated in British Virgin Islands with limited liability and is an investment holding company. The Target holds all issued shares in Wepro180 HK and Columns Asia. The Target Group is principally engaged in provision of online marketing and multimedia production through Wepro180 HK. Also, the Target Group was established by Mr. Raymond Liu together with the other Vendors and other independent third parties.

Set forth below is the audited financial information of Wepro180 HK for the financial period ended 31 March 2019 and the financial year ended 31 March 2020:

	From 23 January 2018 (incorporation date) to 31 March 2019 HK\$ (audited)	For the financial year ended 31 March 2020 HK\$ (audited)
Turnover	1,657,600	2,322,090
Net profit/(loss) before taxation and extraordinary items	(88,166)	433,620
Net profit/(loss) after taxation and extraordinary items	(88,166)	404,637

Set forth below is the unaudited financial information of the Target Group for the financial period ended 31 March 2019 and financial years ended 31 March 2020:

	From 4 January 2018 (incorporation date) to 31 March 2019 HK\$ (unaudited)	For the financial year ended 31 March 2020 HK\$ (unaudited)
Turnover	1,826,015	2,386,516
Net profit/(loss) before taxation and extraordinary items	(959,457)	403,814
Net profit/(loss) after taxation and extraordinary items	(959,457)	374,831

The unaudited net assets of the Target Group as at 30 September 2020 according to its management accounts were approximately HK\$299,000.

(C) TERMS USED IN THIS ANNOUNCEMENT

“Acquisition”	the acquisition of the Sale Shares pursuant to the Sale and Purchase Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules (as may be amended from time to time)
“Board”	the board of Directors
“Columns Asia”	Columns Asia (Hong Kong) Limited, a company incorporated in Hong Kong with limited liabilities and a wholly-owned subsidiary of the Target
“Company”	Edvance International Holdings Limited 安領國際控股有限公司, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1410)
“Completion”	upon execution of the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules (as may be amended from time to time)
“Consideration”	HK\$3,500,000, being the consideration for the Acquisition
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and in the context of the Company and as at the date of this announcement, refers to Success Vision International Group Limited, Mr. Raymond Liu and Mr. Lo Wai Ho Ashley, who together control the exercise of 30% or more of the voting rights at general meeting of the Company
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries for the time being
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IT”	information technology

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as may be amended from time to time)
“Mr. Raymond Liu”	Mr. Liu Yui Ting Raymond (廖銳霆), the chairman and chief executive officer of the Company, an executive Director and one of the Controlling Shareholders, which also directly holds 89% of all issued shares of the Target
“Mr. Sin”	Mr. Sin Wai Ming (冼偉明), an employee of the Group, who is independent of connected persons of the Company and directly holds 1.5% of all issued shares of the Target
“Mr. Wan”	Mr. Wan Chung Ching (尹松青), an employee of the Group, who is independent of connected persons of the Company and directly holds 8% of all issued shares of the Target
“Ms. Law”	Ms. Law Wai Chi (羅偉慈), a senior management of the Group who is independent of connected persons of the Company and directly holds 1.5% of all issued shares of the Target
“Previous Transaction”	the transaction contemplated under the subscription agreement entered between the Group and Royston Financial Group Limited on 10 August 2020. Details are set out in the announcement of the Company dated 10 August 2020
“Sale and Purchase Agreement”	the sale and purchase agreement dated 9 October 2020 entered into between the Company and the Vendors in relation to the Acquisition
“Sale Shares”	1000 shares of the Target, representing all issued shares of the Target
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Wepro180 Group Limited, a company incorporated in British Virgin Island with limited liabilities

“Target Group”	the Target together with its subsidiaries for the time being, namely, Wepro180 HK and Columns Asia
“Vendors”	Mr. Raymond Liu, Mr. Wan, Mr. Sin and Ms. Law, who jointly hold all issued shares in the Target as at the date of this announcement
“Wepro180 HK”	Wepro180 (Hong Kong) Limited, a company incorporated in Hong Kong with limited liabilities and a wholly-owned subsidiary of the Target
“%”	per cent

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

Hong Kong, 9 October 2020

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, Mr. Chan Siu Ming Simon and Mrs. Wong Hung Flavia Yuen Yee.