

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: 1410

2024/25 INTERIM REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS Executive Directors

Mr. Liu Yui Ting Raymond
(Chairman and Chief Executive Officer)
Mr. Lee Francis Sung Kei
Mr. Lam Tak Ling

Non-executive Director

Mr. Lo Wai Ho Ashley

Independent non-executive Directors

Mr. Ng Tsz Fung Jimmy
Mr. Chan Siu Ming Simon
Mrs. Wong Hung Flavia Yuen Yee

COMMITTEES Audit Committee

Mr. Ng Tsz Fung Jimmy *(Chairman)*
Mr. Chan Siu Ming Simon
Mrs. Wong Hung Flavia Yuen Yee

Remuneration Committee

Mrs. Wong Hung Flavia Yuen Yee *(Chairman)*
Mr. Liu Yui Ting Raymond
Mr. Chan Siu Ming Simon
Mr. Ng Tsz Fung Jimmy

Nomination Committee

Mr. Chan Siu Ming Simon *(Chairman)*
Mr. Liu Yui Ting Raymond
Mr. Ng Tsz Fung Jimmy
Mrs. Wong Hung Flavia Yuen Yee

Investment Committee

Mr. Liu Yui Ting Raymond *(Chairman)*
Mr. Lee Francis Sung Kei
Mr. Ng Tsz Fung Jimmy

COMPANY SECRETARY

Mr. Yuen Chun Fai *(HKICPA)*

AUTHORISED REPRESENTATIVES

Mr. Yuen Chun Fai *(HKICPA)*
Mr. Liu Yui Ting Raymond

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditors
35/F., One Pacific Place
88 Queensway
Hong Kong

LEGAL ADVISOR

LCH Lawyers LLP
Room 2402, 24th Floor
Admiralty Centre Tower Two
18 Harcourt Road
Admiralty
Hong Kong

CORPORATE INFORMATION (continued)

PRINCIPAL BANKER

The Hongkong and Shanghai Banking
Corporation Limited
HSBC Building
181 Queen's Road Central
Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04
33/F., Two Chinachem Exchange Square
338 King's Road, North Point
Hong Kong

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

25th Floor, Tower 1
The Millennity
98 How Ming Street
Kwun Tong, Kowloon
Hong Kong

REGISTERED OFFICE

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

STOCK CODE

1410

COMPANY'S WEBSITE

www.edvanceintl.com

FINANCIAL HIGHLIGHTS

Edvance International Holdings Limited (the “**Company**”) together with its subsidiaries (the “**Group**”) recorded a revenue and gross profit of approximately HK\$362.1 million and approximately HK\$70.7 million respectively for the six months ended 30 September 2024 (“**FY2025 1H**”), representing an increase of approximately 24.6% and approximately 3.3% respectively, when compared with the revenue and gross profit of approximately HK\$290.7 million and approximately HK\$68.5 million respectively for the six months ended 30 September 2023 (“**FY2024 1H**”).

The loss attributable to owners of the Company (“**Loss**”) for FY2025 1H decreased to approximately HK\$1.2 million (FY2024 1H: Loss of approximately HK\$6.6 million), representing a significant decrease of approximately 81.9% as compared to FY2024 1H.

For illustration purpose, after excluding the impact of the fair value changes on financial assets at fair value through profit or loss (“**FVTPL**”) in both of FY2025 1H and FY2024 1H, the Group recorded an adjusted profit attributable to owners of the Company of approximately HK\$9.7 million for FY2025 1H (FY2024 1H: adjusted Loss of approximately HK\$6.3 million).

The board (“**Board**”) of directors of the Company (“**Director(s)**”) does not recommend the payment of dividend for FY2025 1H (FY2024 1H: Nil).

The Board announces the unaudited condensed consolidated results of the Group for the six months ended 30 September 2024, together with the unaudited comparative figures for the corresponding period in 2023 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2024

	Notes	Six months ended 30 September	
		2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Revenue	4	362,101	290,659
Cost of sales or services		(291,354)	(222,151)
Gross profit		70,747	68,508
Other income		922	593
Net reversal of impairment losses under expected credit loss model		550	–
Other gains and losses, net	6	(11,577)	(294)
Distribution and selling expenses		(20,397)	(22,330)
Administrative and other expenses		(36,502)	(49,377)
Finance costs		(2,332)	(2,209)
Profit (loss) before taxation	7	1,411	(5,109)
Taxation	8	(2,604)	(1,698)
Loss for the period		(1,193)	(6,807)
Other comprehensive income for the period:			
Item that will not be reclassified to profit or loss:			
Gain on revaluation of intangible assets		–	79
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		146	369
		146	448
Total comprehensive expense for the period		(1,047)	(6,359)
Loss for the period attributable to:			
Owners of the Company		(1,184)	(6,558)
Non-controlling interests		(9)	(249)
		(1,193)	(6,807)
Total comprehensive expense for the period attributable to:			
Owners of the Company		(1,038)	(6,110)
Non-controlling interests		(9)	(249)
		(1,047)	(6,359)
Loss per share (HK cents)	9		
Basic and diluted		(0.12)	(0.65)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
Non-current assets			
Property and equipment	11	94,460	103,776
Goodwill		3,216	3,216
Intangible assets		27,486	31,426
Deferred tax assets		5,493	5,578
Prepayments and deposits	12	171,831	178,316
		302,486	322,312
Current assets			
Inventories		14,059	31,989
Loan receivable		1,850	3,000
Trade and other receivables, prepayments and deposits	12	374,129	440,364
Tax recoverable		–	1,141
Contract assets	13	8,752	7,300
Financial assets at FVTPL		38,075	45,510
Cash and cash equivalents		47,456	55,867
		484,321	585,171
Current liabilities			
Trade and other payables and accruals	14	103,458	167,454
Lease liabilities		9,925	10,088
Contract liabilities		265,754	267,021
Bank borrowings	15	18,113	53,805
Tax payable		167	–
		397,417	498,368
Net current assets		86,904	86,803
Total assets less current liabilities		389,390	409,115

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 30 September 2024

	Notes	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
Non-current liabilities			
Lease liabilities		21,143	26,065
Contract liabilities		186,335	196,894
Bank borrowings	15	17,107	16,675
Deferred tax liabilities		4,067	5,185
		228,652	244,819
Net assets		160,738	164,296
Capital and reserves			
Share capital	16	10,042	10,042
Reserves		150,696	151,734
Equity attributable to owners of the Company		160,738	161,776
Non-controlling interests		–	2,520
Total equity		160,738	164,296

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Share capital HK\$'000	Share premium HK\$'000	Other reserves HK\$'000	Share option reserve HK\$'000	Revaluation reserve HK\$'000	Translation reserve HK\$'000	Accumulated profits HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 April 2024 (audited)	10,042	68,383	3,633	4,173	-	(88)	75,633	161,776	2,520	164,296
Loss for the period	-	-	-	-	-	-	(1,184)	(1,184)	(9)	(1,193)
Other comprehensive income for the period	-	-	-	-	-	146	-	146	-	146
Total comprehensive income (expenses) for the period	-	-	-	-	-	146	(1,184)	(1,038)	(9)	(1,047)
Transfer to accumulated profit upon lapse of share options	-	-	-	(459)	-	-	459	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(2,511)	(2,511)
At 30 September 2024 (unaudited)	10,042	68,383	3,633	3,714	-	58	74,908	160,738	-	160,738
At 1 April 2023 (audited)	10,117	71,000	3,633	4,526	59	(320)	44,891	133,906	3,338	137,244
Loss for the period	-	-	-	-	-	-	(6,558)	(6,558)	(249)	(6,807)
Other comprehensive income for the period	-	-	-	-	79	369	-	448	-	448
Total comprehensive income (expenses) for the period	-	-	-	-	79	369	(6,558)	(6,110)	(249)	(6,359)
Issue of share upon exercise of share options	5	330	-	-	-	-	-	335	-	335
Disposal of intangible assets	-	-	-	-	(61)	-	61	-	-	-
Transfer to accumulated profit upon lapse of share options	-	-	-	(363)	-	-	363	-	-	-
Recognition of share options granted	-	-	-	171	-	-	-	171	-	171
At 30 September 2023 (unaudited)	10,122	71,330	3,633	4,334	77	49	38,757	128,302	3,089	131,391

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Net cash generated from operations	37,712	12,634
Income tax paid	(1,894)	(3,236)
Net cash generated from operating activities	35,818	9,398
Net cash used in investing activities:		
Repayment from loan receivable	1,150	–
Investment in financial assets at FVTPL	(3,642)	–
Purchase of property and equipment	(8)	(6,071)
Other investing activities	428	455
	(2,072)	(5,616)
Net cash used in from financing activities:		
Bank borrowings raised	17,737	44,009
Repayment of bank borrowings	(53,665)	(73,497)
Payments of lease liabilities	(4,899)	(5,796)
Other financing activities	(2,332)	(1,874)
	(43,159)	(37,158)
Net decrease in cash and cash equivalents	(9,413)	(33,376)
Cash and cash equivalents at the beginning of the period	55,867	67,190
Effect of exchange rate changes	1,002	(177)
Cash and cash equivalents at the end of the period represented by bank balances and cash	47,456	33,637

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

1. GENERAL

The Company is an investment holding company and its subsidiaries are principally engaged in distribution of cybersecurity security products, provision of cybersecurity security services, and provision of digital assets financial services and investment business. The address of the registered office and principal place of business of the Company are Windward 3, Regatta Office Park, PO 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 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 ("**Stock Exchange**").

2. BASIS OF PREPARATION

These condensed consolidated financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange ("**Listing Rules**").

These condensed consolidated interim financial information are presented in Hong Kong Dollars ("**HK\$**"), unless otherwise stated. These condensed consolidated interim financial information contain condensed consolidated financial information and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31 March 2024 ("**2024 Annual Financial Statements**"). These condensed consolidated interim financial information and notes do not include all of the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") and should be read in conjunction with the 2024 Annual Financial Statements.

3. PRINCIPAL ACCOUNTING POLICIES

These condensed consolidated interim financial information have been prepared with the same accounting policies adopted in the 2024 Annual Financial Statements, except for those that relate to new standards or interpretations issued by the HKICPA mandatory for the annual periods beginning on or after 1 April 2024. The effect of the adoption of these standards, amendments and interpretation is not material on these condensed consolidated interim financial information except for the effects as described in the 2024 Annual Financial Statements.

In preparing these condensed consolidated interim financial information, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2024 Annual Financial Statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2024

3. PRINCIPAL ACCOUNTING POLICIES (continued)

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2024 for the preparation of the Group's condensed 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 HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2024

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, sales related taxes for the period.

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

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Types of goods or services:		
Cybersecurity products business*		
– procurement of network security products, system security products and application and data security products	153,498	153,820
Cybersecurity services business*		
– provision of technical implementation services	14,724	14,606
– provision of maintenance and support services	193,879	122,193
	208,603	136,799
Digital assets financial services and investment business*		
– provision of financial services	–	40
	362,101	290,659

* The segment names are defined in the section "Segment information" in note 5.

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Timing of revenue recognition:		
Over time	208,603	136,839
A point in time	153,498	153,820
	362,101	290,659

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2024

5. 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 operating and reportable segment revenue and segment results is as below:

	Six months ended 30 September 2024			Total HK\$'000 (unaudited)
	Cybersecurity products business HK\$'000 (unaudited)	Cybersecurity services business HK\$'000 (unaudited)	Digital assets financial services and investment business* HK\$'000 (unaudited)	
Segment revenue	153,498	208,603	–	362,101
Segment results	19,764	51,534	(11,942)	59,356
Other income				922
Unallocated other gains and losses, net				(689)
Unallocated distribution and selling expenses				(20,348)
Unallocated administrative and other expenses				(35,498)
Finance costs				(2,332)
Profit before taxation				1,411

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2024

5. SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

	Six months ended 30 September 2023			Total HK\$'000 (unaudited)
	Cybersecurity products business HK\$'000 (unaudited)	Cybersecurity services business HK\$'000 (unaudited)	Digital assets financial services and investment business* HK\$'000 (unaudited)	
Segment revenue	153,820	136,799	40	290,659
Segment results	23,143	45,328	(3,760)	64,711
Other income				593
Unallocated other gains and losses, net				172
Unallocated distribution and selling expenses				(22,322)
Unallocated administrative and other expenses				(46,054)
Finance costs				(2,209)
Loss before taxation				(5,109)

* The segment loss from digital assets financial services and investment business for FY2025 1H included the losses of approximately HK\$1,054,000 (FY2024 1H: HK\$3,468,000) from digital assets financial services business of Axion Global Financial Group Limited ("AGFG") which have been disposed during FY2025 1H as disclosed in note 17 of this report.

Segment result represents the profit earned by/loss from each segment without allocation of other income, certain other gains and losses, net, certain distribution and selling expenses, certain administrative and other expenses, finance costs and taxation. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2024

5. SEGMENT INFORMATION (continued)

Geographical information

The Group's operations are located in Hong Kong, Macau and the People's Republic of China ("PRC") (excluding Hong Kong and Macau) and Republic of Singapore ("Singapore"). Information about the Group's revenue is analysed by location of the customers.

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Geographical markets:		
Hong Kong	330,042	270,495
Macau	22,218	11,648
Mongolian People's Republic	6,561	5,118
The PRC (excluding Hong Kong and Macau)	2,086	2,801
Singapore	984	597
Others	210	–
	362,101	290,659

6. OTHER GAINS AND LOSSES, NET

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Net foreign exchange (loss) gain	(689)	230
Fair value loss on financial assets at FVTPL	(10,888)	(292)
Impairment loss on intangible assets	–	(232)
	(11,577)	(294)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2024

7. PROFIT (LOSS) BEFORE TAXATION

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Profit (loss) before tax has been arrived at after charging:		
Staff costs:		
Directors' remuneration	4,207	5,571
Other staff costs	38,205	43,997
Contributions to retirement benefits schemes	1,446	2,030
Equity-settled share-based payments	–	81
	43,858	51,679
Auditor's remuneration	821	900
Cost of inventories recognised as an expense	133,734	130,677
Amortisation of intangible assets	1,309	1,309
Depreciation of right-of-use assets	5,419	6,536
Depreciation of other property and equipment	3,641	4,164
Depreciation of property and equipment	9,060	10,700

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2024

8. TAXATION

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Current tax:		
Hong Kong Profits Tax	3,203	2,322
Deferred tax credit	(599)	(624)
	2,604	1,698

For the six months ended 30 September 2024 and 2023, 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%.

Under the Law (“**EIT Law**”) of the PRC on Enterprise Income Tax (“**EIT**”) and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the six months ended 30 September 2024 and 2023. No provision for PRC EIT has been made as the Group did not generate any assessable profits arising in the PRC during the six months ended 30 September 2024 and 2023.

No provision for Macau Complementary Tax has been made as the Group did not generate any estimated assessable profits arising in Macau during the six months ended 30 September 2024 and 2023.

No provision for Singapore income tax has been made as the Group did not generate any estimated assessable profits arising in Singapore during the six months ended 30 September 2024 and 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2024

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss for the period attributable to owners of the Company for the purpose of calculating basic and diluted loss per share	(1,184)	(6,558)

	Six months ended 30 September	
	2024	2023
	Number of Shares	Number of Shares
	'000	'000
	(unaudited)	(unaudited)
Weighted average number of ordinary share for the purpose of calculating basic loss per share	1,004,217	1,012,088

10. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

11. PROPERTY AND EQUIPMENT

During the six months ended 30 September 2024, the Group acquired property and equipment of approximately HK\$8,000 (six months ended 30 September 2023: approximately HK\$9,071,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2024

12. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
Current		
Trade receivables	152,162	219,622
Less: allowance for credit losses	(1,170)	(1,707)
	150,992	217,915
Prepayments to suppliers for maintenance and support services	220,574	216,571
Receivables with broker's house and custodian	464	1,865
Other tax receivables	618	37
Prepayments and other receivables	1,481	3,976
	374,129	440,364
Non-current		
Rental deposits	3,372	3,372
Deposits and prepayment for life insurance contracts	14,947	14,797
Prepayments to suppliers for maintenance and support services	153,512	160,147
	171,831	178,316
Total trade and other receivables, prepayments and deposits	545,960	618,680

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2024

12. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (continued)

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 each reporting period:

	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
0 to 30 days	112,262	152,934
31 to 60 days	21,438	35,911
61 to 90 days	7,289	21,256
91 to 120 days	1,440	5,474
121 to 365 days	8,563	2,340
	150,992	217,915

13. CONTRACT ASSETS

	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
Contract assets from technical implementation services contracts	8,836	7,397
Less: allowance for credit losses	(84)	(97)
	8,752	7,300

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2024

14. TRADE AND OTHER PAYABLES AND ACCRUALS

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

	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
Trade payables	86,968	147,105
Accrued expense	8,026	8,913
Accrued staff costs	6,696	8,895
Others	1,768	2,541
	103,458	167,454

The following is an ageing analysis of trade payables presented based on the invoice date:

	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
0 to 30 days	85,572	106,307
31 to 60 days	1,235	7,352
61 to 90 days	161	33,446
	86,968	147,105

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2024

15. BANK BORROWINGS

	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
Secured and guaranteed bank borrowings	35,220	70,480
The carrying amounts of the above bank borrowings are repayable:		
Within one year	17,787	40,325
More than one year but not exceeding two years	1,350	4,460
More than two years but not exceeding five years	3,401	12,852
More than five years	12,682	12,843
	35,220	70,480
Less: Amounts due within one year or contains a repayment on demand clause shown under current liabilities	(18,113)	(53,805)
Amounts shown under non-current liabilities	17,107	16,675

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2024

16. 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, 30 September 2023, 1 April 2024 and 30 September 2024	2,000,000,000	20,000
Issued and fully paid:		
At 1 April 2023 (audited)	1,011,738,000	10,117
Issue of share upon exercise of share options	519,000	5
At 30 September 2023 (unaudited)	1,012,257,000	10,122
Shares repurchased and cancelled	(8,040,000)	(80)
At 1 April 2024 (audited) and 30 September 2024 (unaudited)	1,004,217,000	10,042

17. DISPOSAL OF SUBSIDIARIES

On 26 April 2024, Edvance Financial Holdings Limited, a direct wholly-owned subsidiary of the Company, Jaguar Investment Limited, a non-controlling shareholder of AGFG and Mr. Liu Yui Ting Raymond, an executive director, a chief executive officer and a controlling shareholder of the Company, (the “**Vendors**”) entered into the sale and purchase agreement with the purchasers who are independent third parties of the Group (the “**Purchasers**”) pursuant to which the Vendors have agreed to sell and the Purchasers have agreed to purchase the entire issued share capital of AGFG, an indirectly non-wholly-owned subsidiary of the Company at the cash consideration of HK\$6,445,000. The disposal had been completed on the same day. The principal activities of AGFG’s subsidiary is provision of asset management services and the major assets are the trading rights and bank balances of approximately HK\$2,631,000 and HK\$3,841,000, respectively. The financial impact arising from the disposal of AGFG is not material to the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the six months ended 30 September 2024 (“**FY2025 1H**”), revenue for Edvance International Holdings Limited (“**Company**”, together with its subsidiaries, “**Group**”) increased by approximately 24.6% compared to the six months ended 30 September 2023 (“**FY2024 1H**”).

The Group sees there has been continuous focus and demand in Hong Kong for cybersecurity products and services, and thus fuelling our continued growth in revenue. We are confident this trend is set to continue for the foreseeable short to medium term.

Through prudent and effective cost management measures, operating profit has improved. However, the net loss continues due to the overlapping impact of fair value losses on investments recorded during the same period. Nonetheless, this represents a substantial improvement of approximately 81.9% compared to the same period last year.

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 development and widespread adoption of artificial intelligence, cyberattacks have become increasingly sophisticated. Coupled with evolving regulations and automation across various industries, businesses are placing greater emphasis on cybersecurity, necessitating diverse solutions to combat increasingly sophisticated cyberattacks.

In reviewing FY2025 1H, the Group continued to see strong demand for cybersecurity products and services due to the ongoing increase in cybersecurity needs.

Additionally, the successful transition of our business model to a subscription-based approach has yielded positive results, leading to more stable revenues and reinforcing our position as a leading distributor of cybersecurity solutions.

The Group became distributor for two new cybersecurity products during FY2025 1H, and is actively considering additional products and technologies suitable for the local market while enhancing supporting services to provide customers with secure, high-performance, and cost-effective cybersecurity solutions that meet evolving market demands.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Cybersecurity-as-a-service

Our security-as-a-service offerings continue to gain traction. The local challenges with inadequate IT and cybersecurity expertise support the trend of cybersecurity outsourcing services, reflected in an increasing number of clients adopting our flagship email protection product. Similar trend was observed in the Association of Southeast Asian Nations (ASEAN), and we are pleased to see breakthroughs in our business in that market also.

Furthermore, our recently launched online security training platform enables employees to easily learn about cybersecurity awareness online and has attracted significant interest locally. The Group anticipates that this new product will also develop into a rapidly growing business line.

Digital assets financial services and investment

The digital asset market continues to develop healthily under the leadership of the local government. As more companies participate in this market, the entire ecosystem is maturing. Therefore, the Group remains optimistic about its investment in the holding company of Hong Kong Digital Asset Ex Limited (“**HKbitEX**”), a digital asset exchange.

Besides, our fully licensed 60% owned subsidiary, Axion Global Asset Management Limited was successfully disposed in April 2024, and the funds released had been allocated for internal purposes.

OUTLOOK

Going forward, we are optimistic about the Group’s overall business prospects. Despite some uncertainties in market conditions in the short term, demand for cybersecurity products and services, and especially cybersecurity-as-a-service remain strong in Hong Kong and across ASEAN. We will continue to focus on our core business and deliver enhanced values to our clients, while exercising prudence in managing our operation. Overall, we will strive to create security solutions that better meet regional needs and ensure clients are protected from cyberattacks.

Finally, we would like to express our gratitude to our employees, partners, customers, and shareholders for their unwavering support. We look forward to exciting developments in the coming year.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

FINANCIAL REVIEW

Revenue

The Group's revenue significant increased by approximately HK\$71.4 million, or approximately 24.6%, from approximately HK\$290.7 million for FY2024 1H to approximately HK\$362.1 million for FY2025 1H. The significant increase was mainly attribute to the continuous strong demand for our cybersecurity services related business in FY2025 1H.

Gross profit and gross profit margin

The Group's gross profit increased by approximately HK\$2.2 million, or approximately 3.3%, from approximately HK\$68.5 million in FY2024 1H to approximately HK\$70.7 million in FY2025 1H. The increase in gross profit was mainly due to the increase in revenue. The gross profit margin decreased by approximately 4.1% to approximately 19.5% in FY2025 1H as compared to approximately 23.6% in FY2024 1H. The lowered gross profit margin compared with FY2024 1H was mainly due to the increase in technical services costs incurred in cybersecurity services business and comparatively lowered profit margin incurred in cybersecurity products as a result of market competition.

Other gains and losses, net

The Group's other gains and losses, net significant increased from net losses of approximately HK\$0.3 million for FY2024 1H to net losses of approximately HK\$11.6 million for FY2025 1H.

The net losses of HK\$11.6 million in FY2025 1H, mainly represented the fair value loss on financial assets at fair value through profit and loss ("FVTPL") of approximately HK\$10.9 million (FY2024 1H: HK\$0.3 million). Such significant fair value loss on financial assets at FVTPL was mainly due to the fair value loss on the unlisted investment of the holding company of HKbitEX of approximately HK\$11.2 million (FY2024 1H: fair value loss on this investment of approximately HK\$0.3 million) in FY2025 1H.

Distribution and selling expenses

The Group's distribution and selling expenses decreased by approximately HK\$1.9 million, or approximately 8.7%, from approximately HK\$22.3 million in FY2024 1H to approximately HK\$20.4 million in FY2025 1H. Such decrease was due to decrease in marketing staff costs in FY2025 1H.

Administrative and other expenses

The administrative and other expenses significantly decreased by HK\$12.9 million, or approximately 26.1% from approximately HK\$49.4 million for FY2024 1H to approximately HK\$36.5 million for FY2025 1H mainly due to the decrease in (i) administrative staff costs by approximately HK\$7.3 million and (ii) general operating costs by approximately HK\$5.6 million as a result of strict cost control in FY2025 1H.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Loss for the period attributable to owners of the Company

The loss attributable to owners of the Company decreased from approximately HK\$6.6 million in FY2024 1H to HK\$1.2 million in FY2025 1H significantly. The significant decrease in loss was mainly due to the significant decrease in operating expenses as mentioned above, which was significantly offset by the fair value loss on FVTPL in relation to the unlisted investment of holding company of HKbitEX of approximately HK\$11.2 million (FY2024 1H: fair value loss on this investment of approximately HK\$0.3 million).

DIVIDEND

The Board does not recommend the payment of any dividend for FY2025 1H (FY2024 1H: Nil).

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

During FY2025 1H, the Group financed its operation mainly through cash generated from our operating activities. As at 30 September 2024, we had cash and cash equivalents of approximately HK\$47.5 million (as at 31 March 2024: approximately HK\$55.9 million).

GEARING RATIO

The Group's gearing ratio which is defined as the sum of bank borrowings and lease liabilities as at the respective period end divided by the total equity as at the respective corresponding period end and multiplied by 100%, was approximately 41.2% as at 30 September 2024 (as at 31 March 2024: approximately 64.9%). The Group maintained strong liquidity position during FY2025 1H.

CAPITAL STRUCTURE

As at 30 September 2024, the capital structure of the Company comprised bank borrowings, cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves. Detail of movements in the share capital during FY2025 1H are set out in note 16 to the unaudited condensed consolidated financial statements in this report.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the paragraphs headed "Outlook" above, the Group does not have any future plans for material investments and capital assets as at the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

SIGNIFICANT INVESTMENTS

As at 30 September 2024, the financial assets at FVTPL of the Group amounted to approximately HK\$38.1 million (31 March 2024: approximately HK\$45.5 million), mainly including unlisted preference shares investment of approximately HK\$34.3 million (31 March 2024: approximately HK\$45.5 million).

The directors of the Company (“**Directors**”) considered that (i) investments with a carrying amount that account for more than 5% of the Group’s unaudited total assets as at 30 September 2024; or (ii) investments which recorded realised or unrealised gain/(loss) of over HK\$5 million during FY2025 1H as significant investments.

Description of investments	Note	Carrying amount as at 1 April 2024	Acquisition and disposal, net during the period	Fair value gain (loss) recognised in profit and loss, net during the period	Carrying amount as at 30 September 2024	Percentage
						to the Group’s unaudited total assets as at 30 September 2024
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Financial assets at FVTPL						
Unlisted preference shares investment, at fair value						
– investment in the holding company of						
HKbitEX	(a)	45,510	–	(11,171)	34,339	4.36%
Equity securities listed in Hong Kong		–	3,453	283	3,736	0.47%
Total		45,510	3,453	(10,888)	38,075	4.83%

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. The initial investment cost of such investment was approximately HK\$23.3 million.

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 30 September 2024, the fair value of this unlisted preference shares investment was approximately HK\$34.3 million based on the valuation report prepared by an independent professional valuer. The Group intended to dispose such shares to willing buyers in the foreseeable future.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

CONNECTED TRANSACTION

On 26 April 2024, Edvance Financial Holdings Limited (“**Edvance Financial**”), a direct wholly-owned subsidiary of the Company, Jaguar Investment Limited (“**Jargar Investment**”) and Mr. Liu Yui Ting Raymond (“**Raymond Liu**”), as vendors (“**Vendors**”), and three independent purchasers, as purchasers (“**Purchasers**”) entered into the sale and purchase agreement (“**Agreement**”) pursuant to which the Vendors have agreed to sell and the Purchasers have agreed to purchase the 15,500 ordinary shares of Axion Global Financial Group Limited (“**AGFG**”) (being the entire issued share capital of AGFG) at the consideration of HK\$6,445,000.

As at the date of the Agreement and immediately before completion of the Agreement (“**Completion**”), Edvance Financial held 60% of the issued share capital of AGFG. Completion had taken place immediately after the signing of the Agreement. Immediately upon Completion, the Group ceased to hold any interest in the AGFG’s group.

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.

As all the applicable percentage ratios (as defined under the Listing Rules) in respect of the disposal of 60% equity interest in AGFG (“**Disposal**”) were less than 5%, the Disposal was subject to the reporting and announcement requirements but was exempt from the circular and shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Details of the Disposal are set out in the announcement of the Company dated 26 April 2024.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

Saved as disclosed above, the Group had no other significant investment, material acquisition or disposal of subsidiaries and affiliated companies during FY2025 1H.

CAPITAL COMMITMENTS

As at 30 September 2024, the Group has no significant capital commitments in respect of the property and equipment contracted but not provided for (31 March 2024: Nil).

CONTINGENT LIABILITIES

As at 30 September 2024, the Group had no material contingent liabilities (31 March 2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

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 FY2025 1H.

CHARGE ON THE GROUP'S ASSETS

As at 30 September 2024, the Group's bank borrowings were secured by the properties located in Hong Kong and Singapore, and life insurance contracts entered into with a bank.

INFORMATION ON EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2024, the Group had 121 employees (as at 30 September 2023: 133 employees) and most of them were working in Hong Kong. We incurred staff costs inclusive of performance related bonus, share based payments and directors' emoluments of approximately HK\$43.9 million and approximately HK\$51.7 million for FY2025 1H and FY2024 1H, 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 share award scheme and share option scheme, which are designed to provide incentives and rewards to the Group's employees.

OTHER INFORMATION

SHARE AWARD SCHEME

The Company had adopted a share award scheme on 1 September 2020 ("**Old Share Award Scheme**"). Pursuant to the consultation conclusions on the proposed amendments to the Listing Rules relating to share schemes of listed issuers and housekeeping rule amendment published by the Stock Exchange in July 2022 ("**Consultation Conclusions**"), Chapter 17 of the Listing Rules has been amended to govern both share option schemes and share award schemes involving the grant of new shares or options over new shares of the listed issuer with effect from 1 January 2023. In light of the Listing Rules, ordinary resolutions have been passed in the annual general meeting of the Company held on 5 September 2023 ("**Amendment Date**") to adopt the amendments to the Old Share Award Scheme ("**Amendments to the Old Share Award Scheme**") and the Scheme Mandate Limit (as defined below) to bring it in line with the Listing Rules. A summary of the principal terms of the amended Old Share Award Scheme ("**Share Award Scheme**") is set out below:

The purposes of the Share Award Scheme are: (i) to recognise the contributions by certain eligible participants and to provide them with incentives in order to retain them for the continual operation, development and growth of the Group; and (ii) to attract suitable personnel for further development and growth of the Group.

The eligible participants, include any (i) Director or employee of the Group (including persons who are granted awards under the Share Award Scheme as an inducement to enter into employment contracts with the Group) ("**Employee Participant**"); and (ii) director or employee of the holding companies, fellow subsidiaries or associated companies of the Company.

The total number of ordinary shares of the Company ("**Shares**") which may be issued in respect of all options and awards to be granted under the Share Award Scheme and any other share schemes of the Company shall not exceed 10% of all issued Shares as at the Amendment Date ("**Scheme Mandate Limit**"). Accordingly, the Scheme Mandate Limit shall be 101,225,700 Shares (excluding the share awards and/or options lapsed under the share option schemes and/or share award schemes involving issuance of new Shares adopted and to be adopted by the Company from time to time, including the Share Option Scheme (as defined below) and the Share Award Scheme ("**Share Incentive Schemes**")), representing approximately 10% of the total issued share capital of the Company as at the date of this interim report.

The maximum number of Shares issued and to be issued in respect of all grants made under any Share Incentive Schemes (granted and proposed to be granted, whether exercised, cancelled or outstanding, excluding options or awards lapsed in accordance with any Share Incentive Schemes) to a grantee in the 12-month period up to and including the date of grant of the relevant awards shall not exceed 1% of the total number of Shares in issue.

The awards granted shall be subject to a vesting period as determined by the Board, which shall be at least 12 months commencing from the date of the grant notice. A shorter vesting period of the awards may be granted to an Employee Participant grantee at the discretion of the Board and/or the remuneration committee of the Company as deemed appropriate and under the specified circumstances as set out in the Share Award Scheme.

OTHER INFORMATION (continued)

Except for such consideration which shall be paid by the awardee to the Company (where applicable) in such manner and on or before such deadline(s) as prescribed in the grant notice by the grantee who accepts the offer of the award to the Company where applicable, no other purchase price shall be paid for the awards or the awarded Shares. The grant price under the Share Award Scheme shall be determined by the Company with reference to other cases of listed companies, taking into account factors such as the implementation effect of the Company's historical share-based incentive scheme, the trend of the Share price in recent years and the actual situation of the Company. The pricing shall comprehensively consider the effectiveness of the Share Award Scheme and the impact of the Company's expenses, and will not have a negative impact on the Company's operation, reflecting the actual incentive needs of the Company and is reasonable.

The Share Award Scheme shall be valid and effective for 10 years from its adoption date, 1 September 2020. The remaining life of the Share Award Scheme is approximately six years.

Details of the Share Award Scheme and the Amendments to the Old Share Award Scheme are set out in the announcements of the Company dated 29 June 2023 and 25 July 2023 and the circular of the Company dated 2 August 2023.

On 3 September 2020, four employees under the category of other participants were granted a total of 3,500,000 Shares under the Old Share Award Scheme. On 16 February 2022, three service providers and one employee under the category of other participants were granted a total of 4,820,000 Shares under the Old Share Award Scheme. During FY2025 1H, no shares of Company was awarded, allotted, issued or vested under the Share Award Scheme.

Prior to the Amendment Date, the Shares available for issue under the Old Share Award Scheme utilised the general mandate granted by Shareholders. A general mandate was granted by Shareholders at the annual general meeting of the Company held on 9 August 2022 to allot, issue and deal with up to 202,347,600 Shares, representing 20% of the then issued Shares as at the date of passing of such resolution. Since no Shares have been allotted, issued or dealt with under such general mandate up to 1 April 2023 (being the first day of FY2024 1H), the number of Shares available for issue under the Old Share Award Scheme as at 1 April 2023 were 202,347,600 Shares, representing approximately 20% of the total issued share capital of the Company as at the date of this interim report.

Since the Amendment Date, the Shares available for issue under the Share Award Scheme and the options available for grant under the Share Option Scheme (as defined below) shall be subject to the Scheme Mandate Limit. As no award has been granted under the Share Award Scheme and no option has been granted under the Share option Scheme (as defined below) or any other schemes of the Company since the adoption of the Scheme Mandate Limit up to 30 September 2024 (being the last day of FY2025 1H), the total number of awards available for grant under the Share Award Scheme and the options available for grant under the Share Option Scheme as at 30 September 2024 were 101,225,700 Shares, representing approximately 10% of the total issued share capital of the Company as at the date of this interim report.

There was no service provider sublimit set under the Share Award Scheme.

OTHER INFORMATION (continued)

SHARE OPTION SCHEME

On 23 March 2017, the Company had conditionally approved and adopted the share option scheme (“**Share Option Scheme**”) where eligible participants may be granted options entitling them to subscribe for the Shares. The purpose of the Share Option Scheme is to enable the Company to grant share options to eligible participants as incentives or rewards for their contribution to the Group.

Under the Share Option Scheme, the Board shall be entitled to offer to grant a share option to any eligible participant, which includes any director, employee, officer, consultant, customer, supplier, agent, partner or advisor of or contractor to the Group, whom the Board may think fit. Following the amendments to Chapter 17 of the Listing Rules which came into effect on 1 January 2023, the Company can only grant options to such eligible participants which are permitted under the Listing Rules.

For details of the total number of shares available for issue and the maximum entitlement of each eligible participant under the Share Option Scheme, please refer to the paragraphs set out under the heading “Share Award Scheme” above. Any offer under the Share Option Scheme must be accepted by the relevant eligible participant with a payment in favour of the Company of HK\$1 as consideration within 21 days. Any option under the Share Option Scheme, may be exercised at any time during the relevant option period.

The exercise price in respect of any option under the Share Option Scheme shall be not less than the higher of:

- (a) the closing price of the Shares on the date of the offer of the grant;
- (b) the average closing price of the Shares for the five business days immediately preceding the date of the offer of grant; and
- (c) the nominal value of such Shares.

Subject to the Listing Rules and the terms and conditions of the Share Option Scheme, the Board may, from time to time, at its absolute discretion, set a minimum vesting period for the share options to be granted.

Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for a period of 10 years until 22 March 2027. The remaining life of the Share Option Scheme is approximately three years.

As the Share Option Scheme was approved and adopted by the Board prior to the Consultation Conclusions and the new Chapter 17 of the Listing Rules which came into effect on 1 January 2023, any share options to be granted under the Share Option Scheme going forward (if any) shall be subject to the transitional arrangements and requirements for existing share schemes under the Consultation Conclusions and the new Chapter 17 of the Listing Rules.

OTHER INFORMATION (continued)

Details of the movements of share options of the Company (“Share Options”) granted, exercised, cancelled/forfeited or lapsed during FY2025 1H and outstanding as at 30 September 2024 are as follows:

Share Options movement summary

Grantee	Date of grant of Share Options	Exercise price of Share Options HK\$	Exercise period (both dates inclusive)	Outstanding	Grant during the period	Exercise during the period	Cancelled/ forfeited during the period	Lapsed during the period	Outstanding
				as at 1 April 2024					as at 30 September 2024
Director									
Mr. Raymond Liu (Note 1)	21 April 2021	0.582	21 April 2022 to 22 March 2027	2,200,000	-	-	-	-	2,200,000
	21 April 2021	0.582	21 April 2023 to 22 March 2027	1,650,000	-	-	-	-	1,650,000
	21 April 2021	0.582	21 April 2024 to 22 March 2027	1,650,000 [#]	-	-	-	-	1,650,000
Total for Director				5,500,000	-	-	-	-	5,500,000
Employees									
Employees	7 July 2017	0.65	7 July 2019 to 6 July 2024	1,356,000	-	-	-	(1,356,000)	-
	7 July 2017	0.65	7 July 2020 to 6 July 2025	1,356,000	-	-	-	(294,000)	1,062,000
Sub-total				2,712,000	-	-	-	(1,650,000)	1,062,000
Employees									
Employees	21 April 2021	0.582	21 April 2022 to 22 March 2027	1,628,000	-	-	-	(88,000)	1,540,000
	21 April 2021	0.582	21 April 2023 to 22 March 2027	1,221,000	-	-	-	(66,000)	1,155,000
	21 April 2021	0.582	21 April 2024 to 22 March 2027	1,248,000 [#]	-	-	-	(93,000)	1,155,000
Sub-total				4,097,000	-	-	-	(247,000)	3,850,000
Total for employees				6,809,000	-	-	-	(1,897,000)	4,912,000
Total				12,309,000	-	-	-	(1,897,000)	10,412,000

[#] Share Options vested during FY2025 1H

OTHER INFORMATION (continued)

Note:

1. The reason for the grant to Mr. Raymond Liu was to reward him for the progressive growth of the Group. The Remuneration Committee is of the view that such grant will incentivise Mr. Raymond Liu to continue to lead the Group for a sustainable growth after consideration of compensation packages of other executives in the market where we operate with similar role and responsibilities.

On 7 July 2017, a total of 18,000,000 share options to subscribe for 18,000,000 ordinary shares of HK\$0.01 each of the Company were granted to 60 eligible participants. On 21 April 2021, a total of 15,000,000 share options to subscribe for up to a total of 15,000,000 ordinary shares of HK\$0.01 each of the Company were granted to 53 eligible participants. During FY2025 1H, no Share Option was granted by the Company and no Share Option was exercised.

Prior to the Amendment Date, the total number of Shares which may be issued upon exercise of all options (exclusive of options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) to be granted under the Share Option Scheme and any other share option scheme of the Company shall not in aggregate exceed 10% of the Shares in issue as at the Listing Date ("**Share Option Scheme Mandate Limit**"), being 100,000,000 Shares. As options for 33,000,000 Shares have been granted and options for 13,034,000 Shares have lapsed under the Share Option Scheme since the adoption of the Share Option Scheme Mandate Limit and up to 1 April 2023 (being the first day of FY2024 1H), the options available for grant under the Share Option Scheme as at 1 April 2023 were options for 80,034,000 Shares, representing approximately 8.0% of the total issued share capital of the Company as at the date of this interim report.

For details of the options available for grant under the Share Option Scheme as at 30 September 2025 (being the last day of FY2025 1H), please refer to the paragraph under the heading "Share Award Scheme" above.

The number of Shares that may be issued in respect of options and awards granted under all share schemes of the Company during FY2025 1H divided by the weighted average number of shares of the relevant class in issue for FY2024 is 0.

There was no service provider sublimit set under the Share Option Scheme.

Saved as disclosed above, none of the grantees is a director, chief executive or substantial shareholder of the Company, or any of their respective associates (as defined in the Listing Rules).

OTHER INFORMATION (continued)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2024, the interests of the Directors in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of Securities and Future Ordinance (“SFO”) which (a) were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, entered in the register referred to therein; or (c) notified to the Company and the Stock Exchange pursuant to the code for dealing in securities of the Company by the Directors as set out in Appendix 10 of the Listing Rules (“**Model Code**”), are set out below:

Long positions

Names of Director	Capacity/Nature of Interest	Class of shares	Number of Shares held	Number of underlying Shares held	Approximate percentage of shareholding ⁽¹⁾
Mr. Raymond Liu ⁽²⁾	Interest of a controlled corporation	Ordinary	570,000,000	–	56.76%
	Beneficial owner ⁽⁶⁾	Ordinary	–	5,500,000	0.55%
					57.31%
Mr. Lo Wai Ho Ashley (“ Mr. Ashley Lo ”) ⁽²⁾	Interest of a controlled corporation	Ordinary	570,000,000	–	56.31%
Mr. Lam Tak Ling ⁽³⁾	Interest of a controlled corporation	Ordinary	22,500,000	–	2.22%
Mr. Lee Francis Sung Kei (“ Mr. Francis Lee ”) ⁽⁴⁾	Interest of a controlled corporation	Ordinary	19,700,000	–	1.95%

Notes:

- (1) The percentage was based on the total number of ordinary shares of the Company in issue (1,004,217,000 Shares) as at 30 September 2024.
- (2) This represents the Shares held by Success Vision International Group Limited (“**Success Vision**”), a company that is beneficially owned as to 82.50% by Mr. Raymond Liu and 17.50% by Mr. Ashley Lo, respectively, therefore, they were deemed to be interested in the 570,000,000 Shares under the SFO.
- (3) This represents the Shares held by Linking Vision Limited, a company was wholly-owned by Mr. Lam Tak Ling and therefore, he was deemed to be interested in the 22,500,000 Shares under the SFO.

OTHER INFORMATION (continued)

- (4) This represents the Shares held by Pioneer Marvel Limited, a company was wholly-owned by Mr. Francis Lee and therefore, he was deemed to be interested in the 19,700,000 Shares under the SFO.
- (5) On 21 April 2021, the Company granted a total of 5,500,000 Share Options to Mr. Raymond Liu under the Share Option Scheme.

Details of the share options of the Company, duly granted to the Directors pursuant to the Share Option Scheme (if any), which constitute interests in underlying ordinary shares of equity derivatives of the Company under the SFO are set out in the paragraph headed “Share Option Scheme” of this report.

Save as disclosed above, as at 30 September 2024, none of the Directors or chief executives of the Company nor their associates had registered an interest or short position in any Shares or underlying Shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they were taken or deemed to have under such provisions of the SFO) or that was required to be recorded in the register kept by the Company pursuant to section 352 of the SFO, or which are required to be notified to the Company and the Stock Exchange, pursuant to the Model Code.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Save as disclosed in the section headed “Share Award Scheme” and “Share Option Scheme” of this report, at no time during FY2025 1H and up to the date of this report was the Company, its subsidiaries, its fellow subsidiaries or its holding companies a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2024, the following persons (other than the Directors or chief executive of the Company), had interests in the Shares and underlying Shares of the Company which were disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were pursuant to Section 336 of the SFO, entered in the register of the Company, were as follows:

Long positions

Name	Capacity/Nature of Interest	Number of Shares held	Approximate percentage of shareholding⁽⁴⁾
Success Vision ⁽¹⁾	Beneficial owner	570,000,000	56.76%
Ms. Cheng Chui Ying ⁽²⁾	Interest of spouse	575,500,000	57.31%
Ms. Lin Fai ⁽³⁾	Interest of spouse	570,000,000	56.76%

OTHER INFORMATION (continued)

Notes:

- (1) Success Vision was beneficially owned as to 82.50% by Mr. Raymond Liu, and 17.50% by Mr. Ashley Lo as at 30 September 2024, respectively, therefore, they were deemed to be interested in the 570,000,000 Shares under the SFO.
- (2) Ms. Cheng Chui Ying is the spouse of Mr. Raymond Liu, and was therefore deemed to be interested in the Shares in which Mr. Raymond Liu was interested in under the SFO.
- (3) Ms. Lin Fai is the spouse of Mr. Ashley Lo and was therefore deemed to be interested in the Shares in which Mr. Ashley Lo was interested in under the SFO.
- (4) The percentage was based on the total number of ordinary shares of the Company in issue (1,004,217,000 shares) as at 30 September 2024.

Save as disclosed above, as at 30 September 2024, the Directors were not aware of any other person (other than the Directors or chief executive of the Company as disclosed in the section headed “Directors’ and chief executive’s interests and short positions in Shares, underlying Shares and debentures of the Company and its associated corporations” above) who had or deemed to have any interests or short positions in the Shares and underlying Shares of the Company which were disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register of the Company required to be kept under section 336 of the SFO.

COMPETING INTERESTS

During FY2025 1H, none of the Directors or the controlling shareholders of the Company or their respective close associates had any interests in a business which competes, either directly or indirectly, with the business of the Group pursuant to Rules 8.10(1) and 8.10(2) of the Listing Rules.

DEED OF NON-COMPETITION

The controlling shareholders, namely Mr. Raymond Liu, Mr. Ashley Lo and Success Vision (the “**Controlling Shareholders**”), entered into a deed of non-competition dated 23 March 2017 (“**Deed of Non-Competition**”) in favour of the Company (for itself and as trustee for each of its subsidiaries). For details of the Deed of Non-Competition, please refer to the section headed “Relationship with Controlling Shareholders” in the Prospectus. Each of the Controlling Shareholders has confirmed that none of them is engaged in or interested in any business (other than the Group) which, directly or indirectly, competes or may compete with the business of the Group.

The independent non-executive Directors have also reviewed the status of compliance and written confirmation from each of the Controlling Shareholders, and confirmed that all the undertakings under the Deed of Non-Competition have been complied with by each of the Controlling Shareholders since the listing date of the Company and up to the date of this report.

OTHER INFORMATION (continued)

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Company's audit committee currently comprises three independent non-executive Directors, namely Mr. Ng Tsz Fung Jimmy (the chairman of the audit committee), Mr. Chan Siu Ming Simon and Mrs. Wong Hung Flavia Yuen Yee. The audit committee has reviewed with the management of the Group's accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited condensed consolidated interim financial information of the Group for FY2025 1H.

SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the Model Code. Having made specific enquiry, all the Directors have confirmed that they have complied with the Model Code for FY2025 1H and up to the date of this report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During FY2025 1H and up to the date of this report, the Company did not redeem its listed securities, nor did the Company or any of its subsidiaries purchase or sell any of the Company's listed securities.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained sufficient public float throughout FY2025 1H and up to the date of this interim report.

CORPORATE GOVERNANCE PRACTICES

The Group 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 ("**Code Provisions**") within the Corporate Governance Code ("**CG Code**") contained in Appendix 14 of the Listing Rules. During FY2025 1H, the Company has complied with the Code Provisions as set out in the CG Code to ensure that the Group's business activities and decision-making processes are regulated in a proper and prudent manner, save and except for Code Provision C.2.1 of the CG Code.

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.

OTHER INFORMATION (continued)

As Mr. Raymond Liu is the chairman ("**Chairman**") and the chief executive officer ("**Chief Executive Officer**") of the Company during FY2025 1H, 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 of the Company.

By Order of the Board

Edvance International Holdings Limited

LIU Yui Ting Raymond

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 25 November 2024

As at the date of this report, 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.