



Edvance International Holdings Limited (1410.HK)

安領國際控股有限公司

**FY2021 Annual Results
Presentation**





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- 01 Group Introduction**
- 02 FY2021 Review**
- 03 Outlook - cybersecurity**
- 04 Outlook – digital asset ecosystem**



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Group Introduction

- **Found in 2002**, focusing on **cybersecurity**, and **fintech** innovations
- Established to be a key technology player in the market
- Listed on GEM in 2017 and switched to **mainboard in 2019 Dec**
Edvance International (1410.HK)
- Headquarters in Hong Kong, with presence in Macau, Shenzhen, Shanghai, & Singapore



Value-added distribution
www.edvance.hk



Technology company in China
www.edvance.cn



IAM product for China market
www.epas.com.cn



Cybersecurity service hub
www.esh.hk



Cloud based "Security-as-a-Service"
www.greenradar.com



Technology local community
www.wepro180.com



Technology Ventures & Innovations
www.agdigits.com



Digital Asset Management
www.agam.hk



Technology Incubation Arm
www.agic.hk



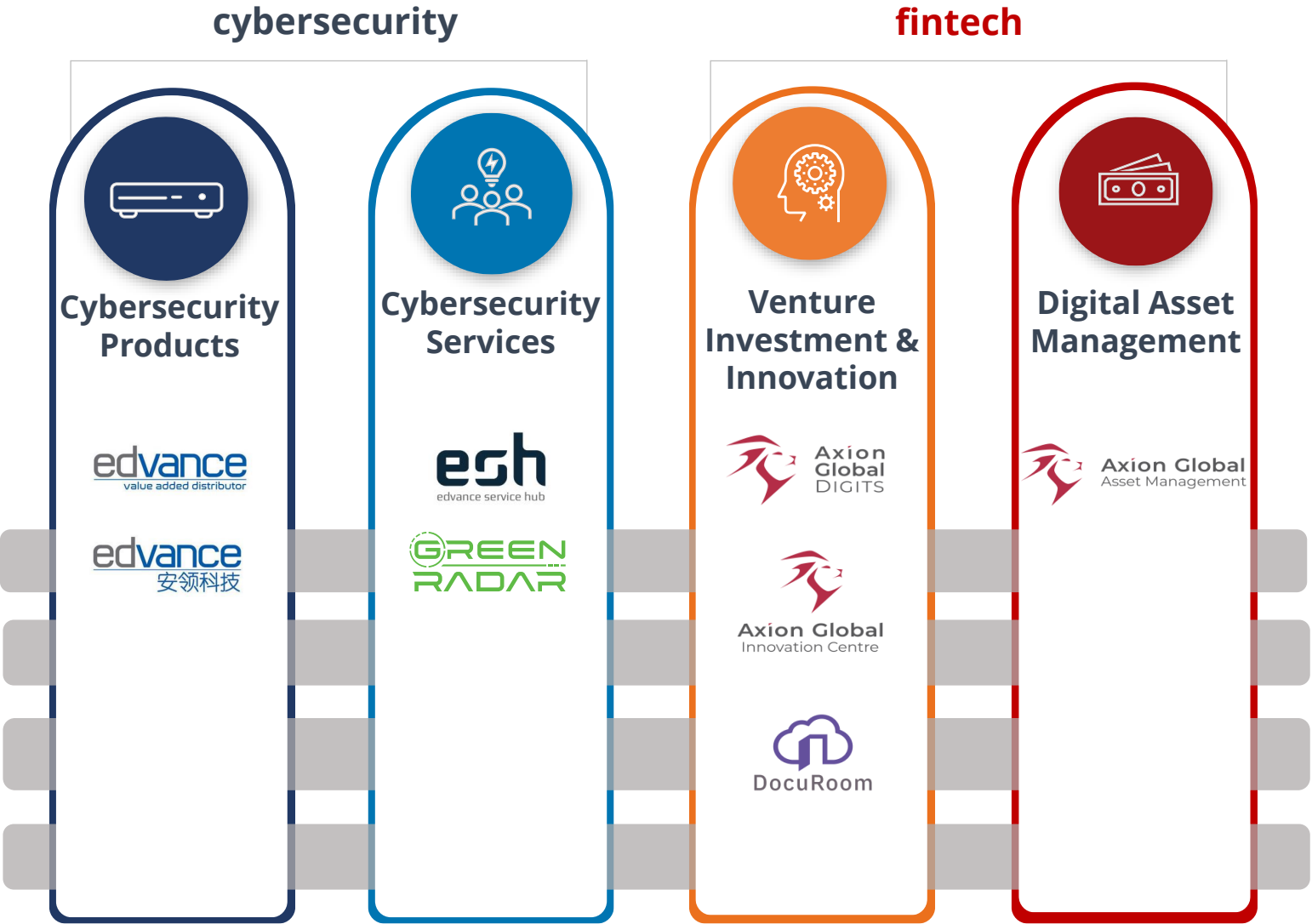
Secure Document Portal
www.docuroom.com



**evolve from cybersecurity,
& tap into fintech**



Our Business Focus - FOUR Pillars



Ride on the solid foundation in **cybersecurity** to tap into **fintech** and **digital asset management**

-  Capture Market Capabilities
-  Incubation (People, Technology, Capital)
-  Research & Development
-  Business Know-how



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Financial Highlights

(HKD)

Revenue

Approx. **410.5 million**

+4.1%

Gross profit

Approx. **124.0 million**

+18.3%

Net profit

Approx. **34.7 million**

+48.8%

Gross profit margin

30.2%

+3.6pt

Net profit margin

8.5%

+0.6pt

RESULTS

Revenue
Cost of Sales

FY2021
HK\$'000

410,505
(286,492)

FY2020
HK\$'000

394,330
(289,490)

Gross Profit

124,013

104,840

Profit before taxation

43,182

31,018

Profit (Loss) for the year
attributable to

- Owners of the Company
- Non-controlling interests

34,739
(482)

23,344
-

Profit for the year

34,257

23,344

Resilient Growth in Cybersecurity Businesses

Summary

- Revenue increased by 4.1%, Net Profit increased by 48.8%
- Improved operational optimization (disciplined cost expenditure & higher profit margin of cybersecurity services business)

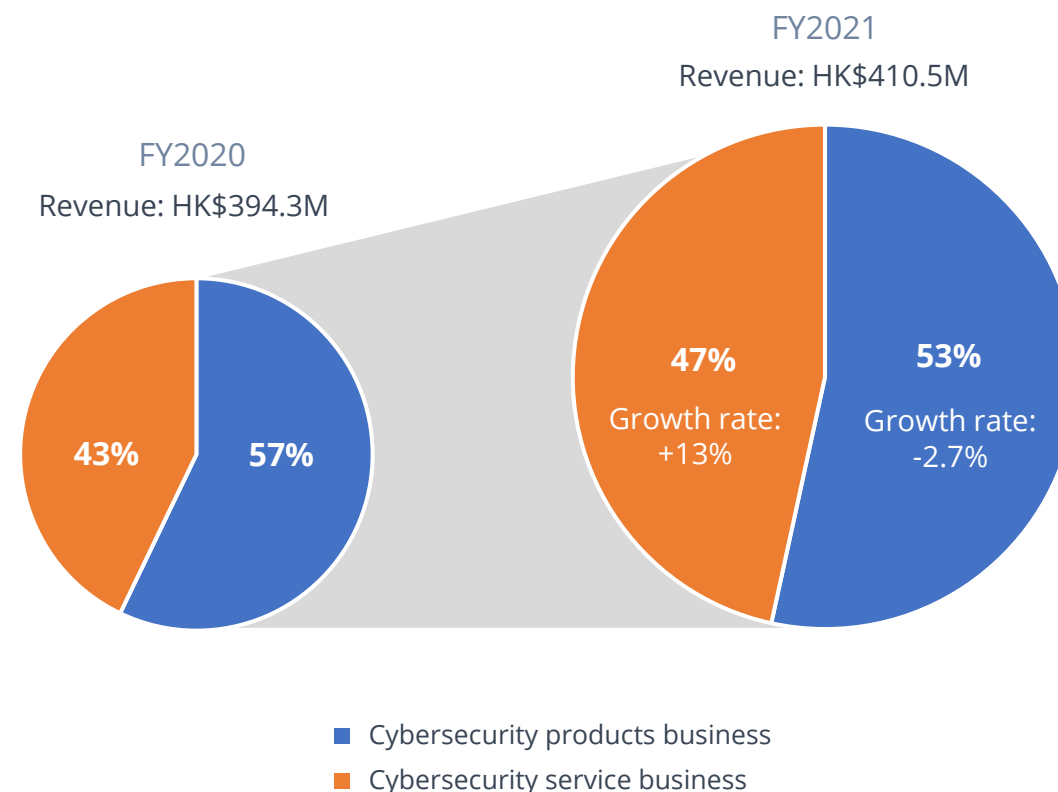


- Introduced 3 new products



- Service Business remains steady

Cybersecurity business shift to services



Our core businesses – cybersecurity products & services

cybersecurity



- **Cash cow** of the Group with steady growth
- **Top** cybersecurity product distributor in Hong Kong
- New products :
NeuVector, Gigamon, Safe-T

- **Edvance Service Hub (ESH)** and **Green Rader** - New offices set up for providing cybersecurity service and strengthened R&D capability
- **Improved gross profit** to 31.6% from 28.6%
- Green Radar's new **Security Operations Center (SOC)** in Hong Kong & Singapore, offering comprehensive email protection via proprietary **aidar™**

Our core engine to build the Digital Asset Ecosystem

fintech

During the Reporting Period:

- Invested in leading digital asset exchange – HKbitEX (Lead investor in A2 series)

Post-results:

- AGIC - Set up new office at FinTech Centre of HKSTP
- Innovation Project: DocuRoom
- MOU for a potential investment in a company focusing on blockchain and digital asset innovations



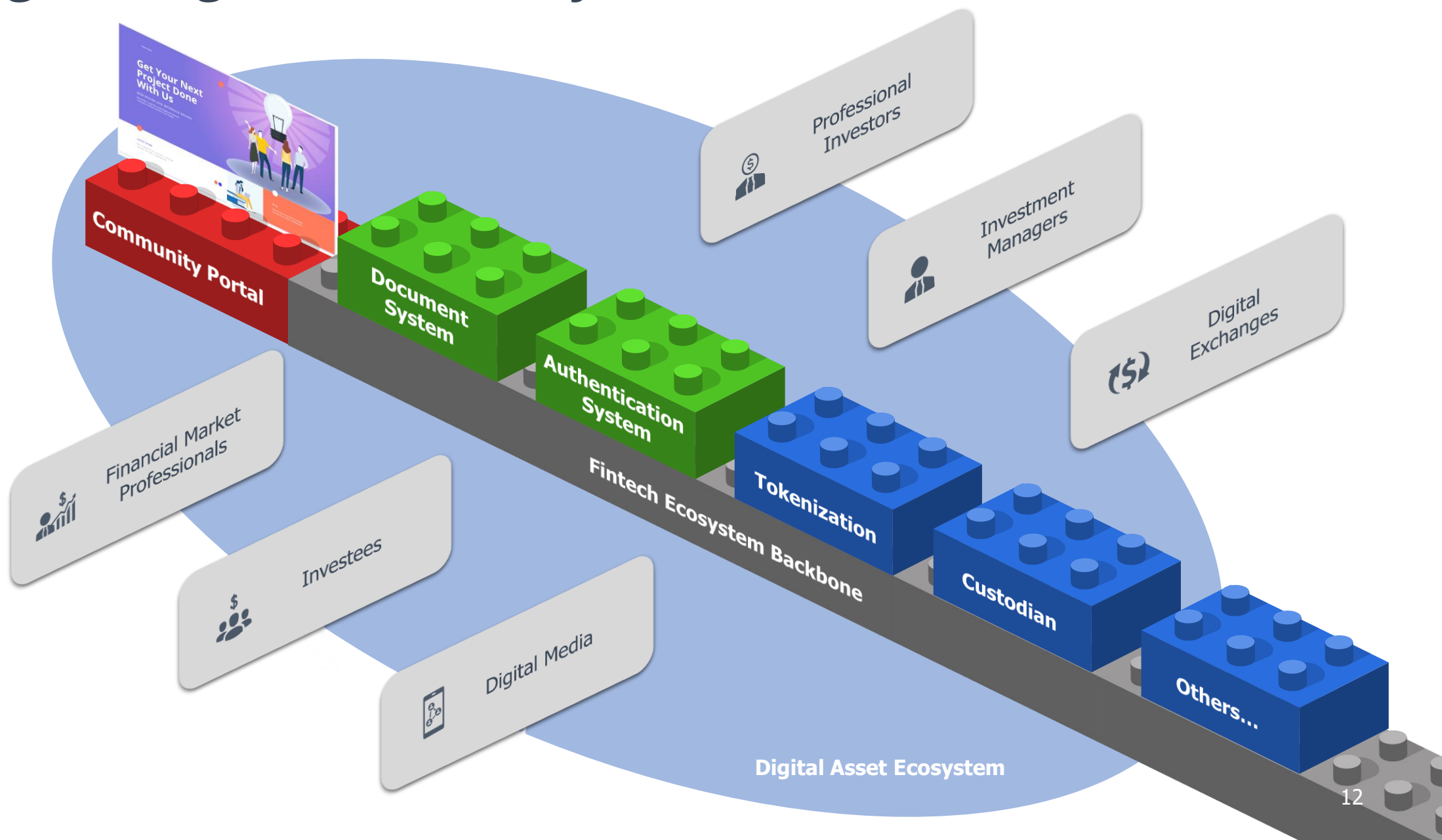
During the Reporting Period:

- Acquired Royston Securities Limited – with Type 1, 4, 9 licenses granted by SFC
- Renamed as **Axion Global Asset Management (AGAM)**

Post-results:

- Proposed fund raising through Security Token Offerings (“STO”)
- Submitted application to SFC to manage virtual assets above the de minimis threshold
- Investment focus: **cryptocurrency** and **digital asset**

Building our Digital Asset Ecosystem



FY2021 – Laying Foundation for Future Growth

- Made several strategic investments to ensure long term growth
- Invested HKD35M (funded by operating cash flow)
- Increased 38 headcounts, representing an increase of 42%

Foundation

Future Growth

New Cybersecurity
Initiatives led by ESH
& Green Radar

**GREEN
RADAR**

esh
edvance service hub

- Building a digital future in fintech
- Investment in HKbitEX

 **Axion
Global
DIGITS**

Leverage our
technological expertise to
transform the traditional
asset management
business


Axion Global
Asset Management

An inhouse research &
development division to
build the core enabling
technologies

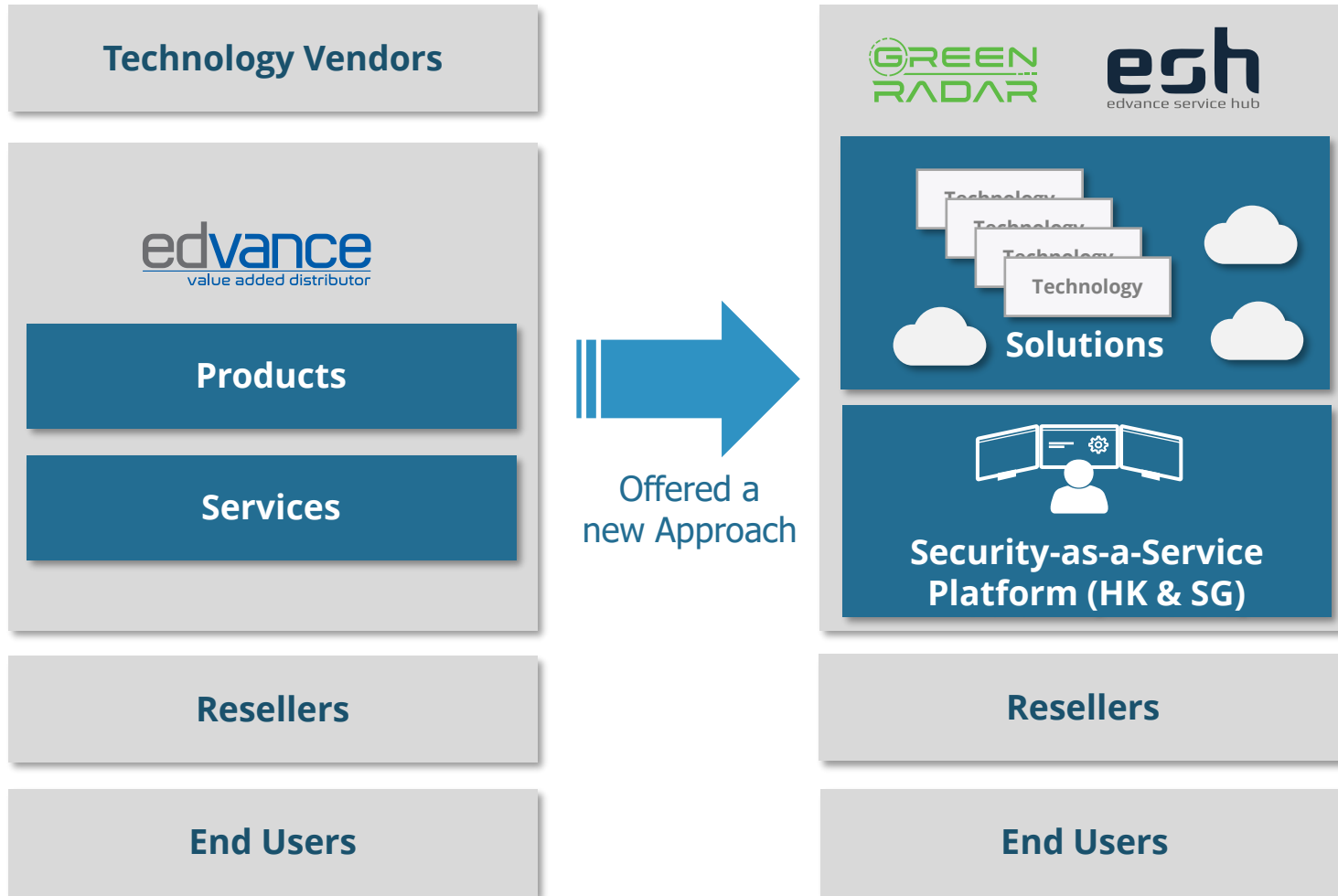

Axion Global
Innovation Centre



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Accelerate Cybersecurity Solutions Adoption



- Providing our resellers /end users more options
- Security as-a-Service – More accessible and cost efficient to deploy
- More offerings from Green Radar & ESH:

**GREEN
RADAR**



**Email
Security**

esh
edvance service hub



**Identity & Access
Management**



**Application &
Data Security**



**Network
Security**

- Supported by our two Security Operations Centers in Hong Kong & Singapore



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The Digital Asset Opportunity Taking Shape



Market Cap:

US\$1.57T



Cryptocurrency

US\$85.6B



Stablecoin

US\$108T



Global Equities

Driving Forces

1. Digital asset as a new asset class
2. Wave of institutional participation
3. Regulation helping industry to grow

Nearly half of millennial millionaires have at least 25% of their wealth in cryptocurrencies, CNBC Millionaire Survey2021

Virtual Assets and associated Service Providers have become ready for institutional investment and growth, KPMG 2021

Half of hedge funds are now investing in crypto, says PwC report 2021

Strategy to Capture Shareholder Value



Strategies

Venture Investment

Innovation

Digital Asset Management

Principles

- Long Term Investments & Acquisitions
- Strategic Alignment & Synergy
- Return on Investment

- Proprietary capabilities
- Platform & Partnership centric

- Compliant to Regulatory Requirements
- Innovative products

Our Advantages and Differentiators

Technology Savvy

- Technology and Innovation in our DNA
- Uncompromised cybersecurity approach
- Certified Security Operations Center
- SaaS



Expertise

- Pioneers in digital assets
- Experienced in traditional banking & finance and broad industry expertise



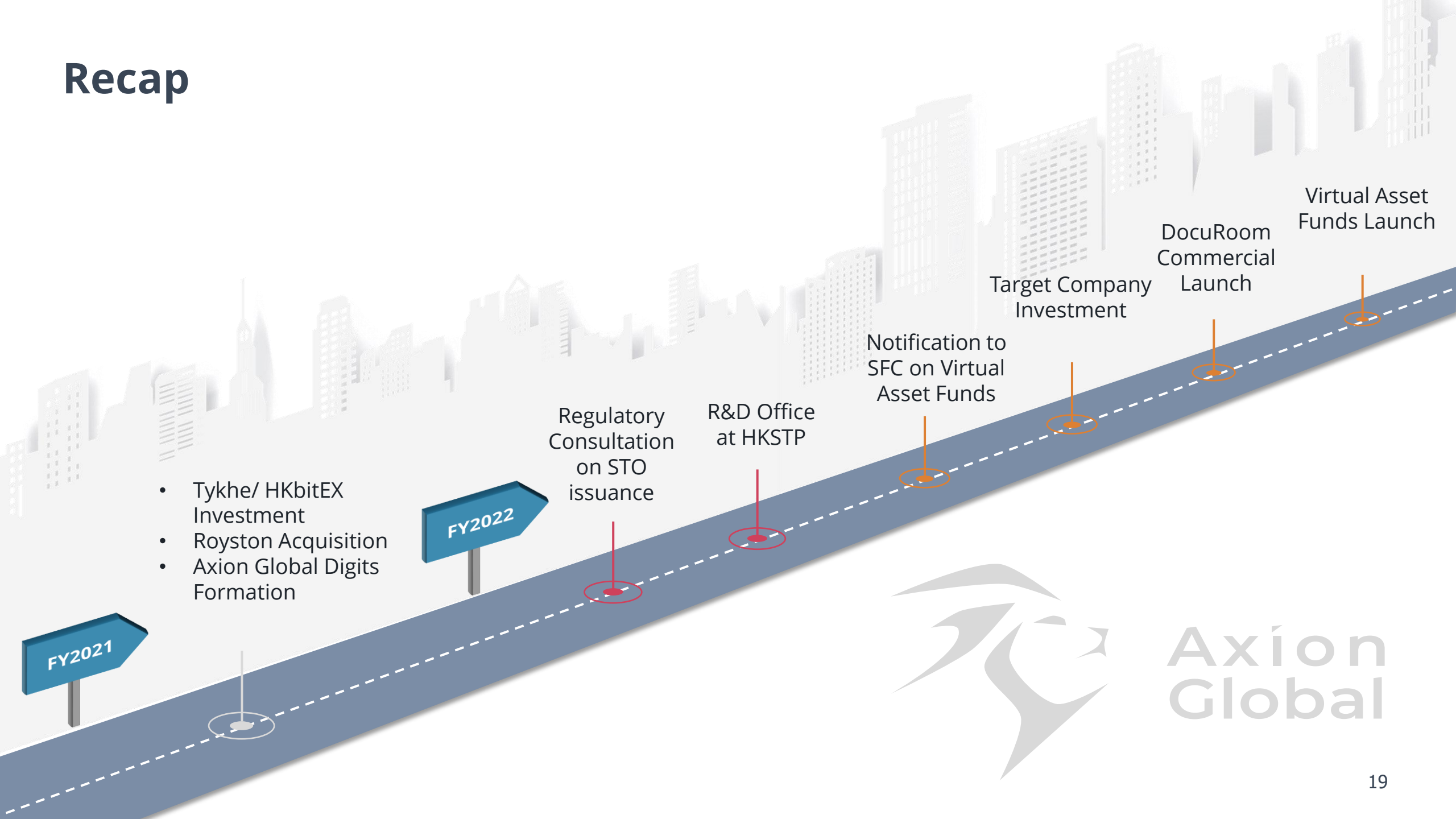
Deutsche Bank



Strong Governance

- Listed on HKEx
- Regulated by SFC under Type 1,4, 9
- Application for virtual asset funds management
- Traditional finance + Technology due diligence

Recap



Q&A

edvance



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