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## **INNOVAX HOLDINGS LIMITED**

**創陞控股有限公司**

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

**(Stock Code: 2680)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 28 FEBRUARY 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of Innovax Holdings Limited (the “**Company**”) is pleased to present to its shareholders the consolidated results of the Company and its subsidiaries (the “**Group**”), which is extracted from the audited consolidated financial statements for the year ended 28 February 2025 (the “**Year**”), together with the comparative figures for the year ended 29 February 2024 as follows:

<b>FINANCIAL SUMMARY</b>	<b>Year ended</b>	
	<b>28 February 2025 HK\$'000</b>	<b>29 February 2024 HK\$'000</b>
Total revenue	<b>167,677</b>	32,727
(Loss)/Profit and total comprehensive (expense)/income for the year	<b>(35,287)</b>	1,775
(Losses)/earnings per share Basic and diluted (HK cents)	<b>(68.78)</b>	3.66*

\* Restated

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 28 February 2025

		Year ended	
		28 February 2025	29 February 2024
	Notes	HK\$'000	HK\$'000
Revenue			
Corporate finance advisory services	3	8,495	11,734
Placing and underwriting services	3	151,467	10,913
Securities dealing and brokerage services	3	2,866	3,002
Asset management services	3	492	427
Interest income from securities financing services	3	2,611	5,525
Interest income from money lending services	3	1,746	1,126
Total revenue		167,677	32,727
Other income	5	5,408	4,638
Other (losses) and gains	6	(26,088)	22,424
		146,997	59,789
Other operating expenses		(158,455)	(15,055)
Depreciation of property and equipment		(56)	(159)
Depreciation of right-of-use assets		(1,241)	(1,389)
Impairment allowance on financial assets, net of reversal	7	(278)	2
Staff costs	8	(22,162)	(41,368)
Finance costs	9	(92)	(42)
Share of losses of joint ventures	18	—	(3)
(Loss)/profit before tax	10	(35,287)	1,775
Income tax expense	11	—	—
(Loss)/profit and total comprehensive (expense)/income for the year		(35,287)	1,775
(Losses)/earnings per share			
Basic and diluted (HK cents)	13	(68.78)	3.66*

\* Restated

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 28 February 2025*

		As at	
		28 February 2025	29 February 2024
	Notes	HK\$'000	HK\$'000
Non-current assets			
Property and equipment		24	80
Right-of-use assets		1,131	297
Intangible asset		500	500
Deferred tax assets		357	357
Other receivables, deposits and prepayments	17	482	275
Interest in joint venture	18	—	—
Interest in associate	16	50	—
Total non-current assets		2,544	1,509
Current assets			
Accounts receivable	14	43,331	29,851
Loan receivables	15	29,797	19,478
Other receivables, deposits and prepayments	17	2,535	2,285
Financial assets at fair value through profit or loss	25	44,150	69,518
Amount due from a joint venture	18	230	10
Cash and bank balances	19	97,197	112,020
Cash and bank balances — held on behalf of customers	20	133,243	48,929
Total current assets		350,483	282,091
Total assets		353,027	283,600
Current liabilities			
Accounts payable	21	162,916	59,452
Other payables and accruals	22	1,747	13,027
Contract liabilities	23	234	302
Lease liabilities	24	1,008	330
Total current liabilities		165,905	73,111
Net current assets		184,578	208,980
Total assets less current liabilities		187,122	210,489

		As at	
		28 February	29 February
		2025	2024
	Note	HK\$'000	HK\$'000
Non-current liabilities			
Lease liabilities	24	<u>249</u>	<u>—</u>
Net assets		<u><b>186,873</b></u>	<u>210,489</u>
Equity			
Share capital		6,000	4,000
Reserves		<u>180,873</u>	<u>206,489</u>
Total equity		<u><b>186,873</b></u>	<u>210,489</u>

## NOTES

*For the year ended 28 February 2025*

### 1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law Chapter 22 of the Cayman Islands on 14 June 2016. The immediate holding company is Billion Shine International Investment Limited, a limited liability company incorporated in the British Virgin Islands (“**BVI**”), which is wholly-owned by Mr. Chung Chi Man, the founder of the Group, chairman of the Board and executive Director. The shares of the Company have been listed on the main board (“**Main Board**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 14 September 2018.

The address of the Company’s registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the address of its principal place of business is at Unit A–C, 20/F, Neich Tower, 128 Gloucester Road, Wanchai, Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in provision of financial and securities services including corporate finance advisory services, placing and underwriting services, securities dealing and brokerage services, securities financing services, asset management services and money lending services.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) which is also the functional currency of the Company. All values are rounded to the nearest thousand (“**HK\$’000**”) except otherwise indicated.

### 2. CHANGES IN ACCOUNTING POLICIES

#### 2.1 New standards, interpretations and amendments adopted from 1 March 2024

The Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) has issued a number of new or amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Group:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

None of these new or amendments to HKFRS Accounting Standards has a material impact on the Group’s results and financial position for the current or prior period.

## 2.2 New standards, interpretations and amendments that have been issued but are not yet effective.

The following new or amendments to standards and interpretation have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11 <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosure <sup>3</sup>
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined.

The Group is currently assessing the impact of these new accounting standards and amendments. Except for the new HKFRS Accounting Standard mentioned below, the Group does not expect any new or amendments to standards and interpretation issued by the HKICPA, but are yet to be effective, to have a material impact on the Group.

### ***HKFRS 18 Presentation and Disclosure in Financial Statements HKFRS 18***

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

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

### 3. REVENUE

#### **Performance obligations for contracts with customers**

##### ***Corporate finance advisory services***

The Group provides initial public offering on the Stock Exchange (the “**IPO**”) sponsorship services to customers. It acts as sponsor for companies seeking to list in Hong Kong advising and guiding them and their directors throughout the listing process. The revenue is recognised over time during the IPO process.

The Group provides financial advisory service to customers. It acts as financial adviser to listed companies in Hong Kong as well as their shareholders and investors advising them on transactions involving the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) or the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”). The revenue is recognised over time during the service period.

The Group provides independent financial advisory service to customers. It acts as independent financial adviser to independent board committees and independent shareholders of listed companies in Hong Kong rendering recommendations and opinions. The revenue is recognised over time during the service period.

The Group provides compliance advisory service to customers. It acts as compliance adviser to listed companies in Hong Kong advising them on post-listing compliance matters. The revenue is recognised over time during the service period.

##### ***Placing and underwriting services***

The Group provides placing and underwriting services to customers. It acts as (i) placing or sub-placing agent or underwriter or sub- underwriter or distributor for issue of new shares by listed companies or placing of existing shares of listed companies; (ii) overall coordinator or bookrunner or lead manager or underwriter or sub-underwriter or distributor for IPOs of listing applicants; and (iii) bookrunner or underwriter or sub- underwriter for issue of bonds by listed or unlisted corporations. The revenue is recognised at a point in time when the transactions relating to the capital raising activities are executed and service obligations are completed.

##### **Securities dealing and brokerage services**

The Group provides securities dealing and brokerage services to customers. Commission income from securities dealing and brokerage services is determined at a certain percentage of the transaction value of the trades executed and is recognised as revenue on the date the trades are executed. Normal settlement terms are one or two days after the trade date, unless specifically agreed with the counterparties.

##### **Asset management services**

Income generated from provision of asset management services to customers is recognised over time as the Group provides asset management services and the customers simultaneously receives and consumes the benefit provided by the Group. The management fee is charged at a fixed percentage per annum of the net asset value of the asset under management by the Group. The Group is also entitled to a performance fee, which is evaluated on an annual basis, for certain accounts when pre-set performance target for the relevant performance period is met. The performance fee is recognised when it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. Management fee is normally due on the anniversary date while performance fee is normally due at the end of the relevant performance period.

The following is an analysis of the Group's revenue from its major services:

	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
Corporate finance advisory services		
Sponsor fee income	<b>2,027</b>	8,207
Advisory fee income — financial and independent financial advisory	<b>4,461</b>	1,980
Advisory fee income — compliance advisory	<u><b>2,007</b></u>	<u>1,547</u>
	<u><b>8,495</b></u>	<u>11,734</u>
Placing and underwriting services		
Placing and underwriting fee income	<u><b>151,467</b></u>	<u>10,913</u>
Securities dealing and brokerage services		
Commission income	<u><b>2,866</b></u>	<u>3,002</u>
Asset management services		
Management fee income	<u><b>492</b></u>	<u>427</u>
Sub-total — Revenue from contracts with customers	<u><b>163,320</b></u>	<u>26,076</u>
Interest income from securities financing services		
Interest income — Margin clients	<b>2,609</b>	5,523
Interest income — Cash clients	<u><b>2</b></u>	<u>2</u>
	<u><b>2,611</b></u>	<u>5,525</u>
Interest income from money lending services		
Interest income — personal and corporate loans	<u><b>1,746</b></u>	<u>1,126</u>
Sub-total — Interest income from securities financing services and money lending services	<u><b>4,357</b></u>	<u>6,651</u>
Total	<u><b>167,677</b></u>	<u>32,727</u>

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Timing of revenue recognition		
— At a point in time	154,333	13,915
— Over time	<u>8,987</u>	<u>12,161</u>
	<u>163,320</u>	<u>26,076</u>
Interest revenue	<u>4,357</u>	<u>6,651</u>
Total	<u><u>167,677</u></u>	<u><u>32,727</u></u>

**Transaction price allocated to the remaining performance obligation for contracts with customers**

The Group applied the practical expedient for not to disclose the aggregate amount of transaction price allocated to performance obligations of the corporate finance advisory services that are unsatisfied (or partially satisfied) as at the reporting date, given the performance obligations is part of a contract that has an original expected duration of less than one year.

**4. SEGMENT INFORMATION**

Information reported to the executive Directors, being the chief operating decision maker (the “**CODM**”), for the purpose of resource allocation and assessment of segment performance, focuses on revenue of each type of services provided. CODM considers the business from service perspectives whereby the performance of the services is assessed based on revenue generated in the course of the ordinary activities of a recurring nature of the business of the Group. CODM considers the business of the Group as a whole as the Group is primarily engaged in provision of financial and securities services. Therefore, the management of the Group considers that the Group only has one single operating segment.

No geographical segment information is presented as the Group’s revenue is all derived in Hong Kong based on the location of services delivered and the Group’s non-current assets (excluding financial and deferred tax assets) are all located in Hong Kong based on the physical location of assets or the location of operations.

## Major customer

During the two years ended 28 February 2025, the following external customers contributed more than 10% of the total revenue of the Group.

	2025 HK\$'000	2024 HK\$'000
Customer A	N/A*	11,985
Customer B	27,932	N/A*
Customer C	<u>23,212</u>	<u>N/A*</u>

\* The corresponding customer did not contribute more than 10% of the total revenue of the Group during the years ended 29 February 2024 and 28 February 2025.

## 5. OTHER INCOME

	2025 HK\$'000	2024 HK\$'000
Interest income from bank balances	4,332	3,442
Interest income from other receivables	4	4
Dividend income	97	869
Handling fee income	347	146
Others	<u>628</u>	<u>177</u>
	<u>5,408</u>	<u>4,638</u>

## 6. OTHER (LOSSES) AND GAINS

	2025 HK\$'000	2024 HK\$'000
Realised (losses)/gains on financial assets at fair value through profit or loss	(9,757)	19,850
Unrealised (losses)/gains on financial assets at fair value through profit or loss	<u>(16,331)</u>	<u>2,574</u>
	<u>(26,088)</u>	<u>22,424</u>

## 7. IMPAIRMENT ALLOWANCE ON FINANCIAL ASSETS, NET OF REVERSAL

	2025 HK\$'000	2024 HK\$'000
(Provision)/reversal of impairment losses on accounts receivable	(36)	93
Reversal of impairment losses on other receivables	—	3
Impairment losses on loan and interest receivable	<u>(242)</u>	<u>(94)</u>
	<u><u>(278)</u></u>	<u><u>2</u></u>

## 8. STAFF COSTS

	2025 HK\$'000	2024 HK\$'000
Directors' emoluments	3,015	6,996
Other staffs		
Salaries and allowances	18,490	23,970
Bonuses	135	9,900
Contributions to MPF Scheme	<u>522</u>	<u>502</u>
	<u><u>22,162</u></u>	<u><u>41,368</u></u>

## 9. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest expenses — lease liabilities	<u>92</u>	<u>42</u>
	<u><u>92</u></u>	<u><u>42</u></u>

## 10. (LOSS)/PROFIT BEFORE TAX

	2025 HK\$'000	2024 HK\$'000
(Loss)/profit before tax for the year has been arrived at after charging:		
Auditor's remuneration	<u><u>798</u></u>	<u><u>800</u></u>

## 11. INCOME TAX EXPENSE

	2025 HK\$'000	2024 HK\$'000
Hong Kong Profits Tax:		
— Current tax	—	—
Deferred tax expenses	—	—
	<u>—</u>	<u>—</u>

## 12. DIVIDEND

The Board does not recommend payment of any dividend for the Year (2024: HK\$Nil).

## 13. (LOSSES)/EARNINGS PER SHARE

	2025	2024
(Losses)/earnings for the purpose of basic and diluted (losses)/earnings per share:		
(Loss)/profit for the year attributable to owners of the Company (HK\$'000)	<u>(35,287)</u>	<u>1,775</u>
	2025	2024 (Restated)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted (losses)/earnings per share	<u>51,306,783</u>	<u>48,535,032</u>
(Losses)/earnings per share:		
Basic and diluted (HK cents)	<u>(68.78)</u>	<u>3.66</u>

The basic and diluted earnings per share for the year ended 29 February 2024 have been restated to reflect the effect of the share consolidation and rights issue during the year.

The computation of diluted earnings per share does not assume exercise of any of the Company's outstanding share options since the exercise price of those share options was higher than the average market price of the Company's shares during the year ended 29 February 2024 and 28 February 2025. Since there were no potential dilutive ordinary shares in issue during the year ended 28 February 2025 and 29 February 2024, basic and diluted (losses)/earnings per share are the same for both years.

## 14. ACCOUNTS RECEIVABLE

	2025 HK\$'000	2024 HK\$'000
Accounts receivable arising from:		
— Corporate finance advisory services	204	822
— Securities dealing and brokerage services	29,487	10,416
— Securities financing services		
— Secured margin loan	13,432	18,617
— Placing and underwriting services	248	—
— Asset management services	65	65
Less: allowance for credit loss	<u>(105)</u>	<u>(69)</u>
	<u><b>43,331</b></u>	<u><b>29,851</b></u>

Income arising from the corporate finance advisory services and the placing and underwriting services are payable upon presentation of invoices.

Accounts receivable arising from the securities dealing and brokerage business is repayable two days after trade date.

Accounts receivable arising from the securities financing services is generally secured by listed equity securities. The management of the Group ensures that the available cash balance and listed equity securities belonging to clients in which the Group holds as custodian are sufficient to cover the amounts due to the Group. The amounts due from margin clients are repayable on demand and bear interest at commercial rates.

During the year, there has not been any significant changes in the quality of the collateral held for the accounts receivable arising from the securities financing services. The Group has taken into consideration of these collaterals in estimating loss allowance for the accounts receivable arising from the securities financing services.

In respect of the accounts receivable arising from the corporate finance advisory services, the securities dealing and brokerage services, placing and underwriting services and the asset management services, the aging analysis based on trade date/invoice date as at 28 February 2025 and 29 February 2024 are as follows:

	2025 HK\$'000	2024 HK\$'000
0–30 days	29,880	10,986
31–60 days	79	137
61–90 days	15	30
Over 90 days	30	150
Less: impairment allowance	<u>(86)</u>	<u>(44)</u>
	<u><b>29,918</b></u>	<u><b>11,259</b></u>

No aging analysis in respect of the accounts receivable arising from the securities financing services is disclosed as in the opinion of the Directors, the aging analysis does not give additional value in view of the nature of the business.

As at 28 February 2025, the accounts receivable arising from the asset management services, which was the amount due from Innovax Alpha SPC — Innovax Balanced Fund SP, being a related party as disclosed in note 26, was approximately HK\$65,000 (2024: approximately HK\$65,000).

## 15. LOAN RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Secured loan receivables	10,300	5,000
Unsecured loan receivables	20,198	14,937
Less: impairment allowance	<u>(701)</u>	<u>(459)</u>
	<u><b>29,797</b></u>	<u><b>19,478</b></u>
Analysed as		
Non-current	—	—
Current	<u><b>29,797</b></u>	<u><b>19,478</b></u>
	<u><b>29,797</b></u>	<u><b>19,478</b></u>

The Group has provided money lending services in Hong Kong during the year. The customers are mainly individuals. During the Year, the Group recorded an interest income from the money lending services of approximately HK\$1.7 million (2024: approximately HK\$1.1 million), representing an increase of approximately 55.1% as compared with the year ended 29 February 2024.

As at 28 February 2025, the secured loan receivables were secured by property units and carried interest at a fixed rate from 8.5% to 9% (2024: 8.5%) per annum, while the unsecured loan receivables carried interest at fixed and floating rate ranging from 3% to 15% (2024: 3% to 15%) per annum.

## 16. INTEREST IN ASSOCIATE

	2025 HK\$'000	2024 HK\$'000
Cost of unlisted interest in an associate ( <i>note i</i> )	50	—
Share of profits	<u>—</u>	<u>—</u>
	<u><b>50</b></u>	<u><b>—</b></u>

*Note:*

- (i) As at 28 February 2025, the cost of investment comprised an investment in an associate of HK\$50,000 (2024: Nil).

Details of the associate as at 28 February 2025 and 29 February 2024 are as follow:

Name of entity	Place of incorporation	Principal place of business	Proportion of ownership interest held by the Group		Principal activities
			28 February 2025	29 February 2024	
Innovax Services Limited	Hong Kong	Hong Kong	25%	—	Provision of advisory services

The associate is accounted for using the equity method in the consolidated financial statements.

Summarised statement of financial position:

	2025 HK\$'000	2024 HK\$'000
Non-current assets	—	—
Current assets	200	—
Non-current liabilities	—	—
Current liabilities	—	—

Summarised statement of profit or loss and other comprehensive income:

	2025 HK\$'000	2024 HK\$'000
Revenue	—	—
Profit and total comprehensive Income for the year	—	—

## 17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 HK\$'000	2024 HK\$'000
Deposits with the Stock Exchange and a clearing house	722	275
Interest receivable	472	307
Prepayment	310	432
Utility deposit	457	492
Others	1,056	1,054
Less: impairment allowance	—	—
	<u>3,017</u>	<u>2,560</u>
Analysed as		
Non-current	482	275
Current	<u>2,535</u>	<u>2,285</u>
	<u>3,017</u>	<u>2,560</u>

## 18. INTEREST IN JOINT VENTURE/AMOUNT DUE FROM A JOINT VENTURE

	2025 HK\$'000	2024 HK\$'000
Cost of unlisted interest in a joint venture ( <i>note i</i> )	5	5
Share of losses	<u>(5)</u>	<u>(5)</u>
	<u>—</u>	<u>—</u>
Amount due from a joint venture ( <i>note ii</i> )	<u>230</u>	<u>10</u>

*Notes:*

- (i) As at 28 February 2025, the cost of investment comprised an investment in a joint venture of HK\$5,000 (2024: HK\$5,000).
- (ii) The amount due from a joint venture is unsecured, interest-free and repayable on demand.

Details of the joint venture as at 28 February 2025 and 29 February 2024 are as follow:

Name of entity	Place of incorporation	Principal place of business	Proportion of ownership interest held by the Group		Principal activities
			28 February 2025	29 February 2024	
InnoCity GBA Capital Limited	Hong Kong	Hong Kong	50%	50%	Investment holding

The joint venture is accounted for using the equity method in the consolidated financial statements.

Summarised financial information of the Group's immaterial joint venture:

	2025 HK\$'000	2024 HK\$'000
Aggregate carrying amount of the Group's joint venture in the consolidated financial statements	<u>—</u>	<u>—</u>
	2025 HK\$'000	2024 HK\$'000
Share of losses and total comprehensive expense of the Group's joint venture	<u>—</u>	<u>(3)</u>

## 19. CASH AND BANK BALANCES

As at 28 February 2025, cash and bank balances, which mainly represent demand deposits and fixed deposits with an original maturity within 3 months at banks, were approximately HK\$97,197,000 (2024: approximately HK\$112,020,000).

## 20. CASH AND BANK BALANCES — HELD ON BEHALF OF CUSTOMERS

The Group maintains segregated trust accounts with authorised financial institutions to hold clients' monies arising from its normal course of business. The Group has classified the clients' monies as cash and bank balances — held on behalf of customers under the current assets section of the consolidated statement of financial position and recognised the corresponding accounts payable (note 21) to respective clients on the ground that it is liable for any loss or misappropriation of clients' monies. The cash and bank balances — held on behalf of customers are restricted and governed by the Hong Kong Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"). The Group is not allowed to use the client's monies to settle its own obligations.

## 21. ACCOUNTS PAYABLE

	2025 HK\$'000	2024 HK\$'000
Accounts payable arising from:		
— Securities dealing and brokerage services	162,815	59,072
— Placing and underwriting services	<u>101</u>	<u>380</u>
	<u>162,916</u>	<u>59,452</u>

The settlement terms of clearing house and securities trading clients from the ordinary course of business of the securities dealing and brokerage services range from one to two days after the trade date of those transactions. Accounts payable from the placing and underwriting services is repayable on demand. As at 28 February 2025, amounts due to directors and key management personnel of the Group included in accounts payable arising from the securities dealing and brokerage services were HK\$Nil (2024: approximately HK\$186,000).

No aging analysis is disclosed as, in the opinion of the Directors, such analysis does not give additional value in view of the nature of these businesses.

As at 28 February 2025, accounts payable arising from the securities dealing and brokerage services also placed in segregated bank accounts with authorised financial institutions of approximately HK\$133,243,000 (2024: approximately HK\$48,929,000) (note 20).

## 22. OTHER PAYABLES AND ACCRUALS

	2025 HK\$'000	2024 HK\$'000
Accrued staff costs	—	10,980
Other accrued expenses	1,151	2,033
Other payables	<u>596</u>	<u>14</u>
	<u>1,747</u>	<u>13,027</u>

Other payables are unsecured, non-interest bearing and repayable on demand.

## 23. CONTRACT LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Advisory fee	<u>234</u>	<u>302</u>
	<u>234</u>	<u>302</u>

The first instalment of an advisory fee income is generally paid in advance prior to the beginning of each project and is initially recorded as contract liabilities in the consolidated statement of financial position. The portion of income received from the clients while the relevant services have not yet been provided is recorded as contract liabilities in the consolidated statement of financial position and will be reflected as a current liability if such amount represents revenue that the Group expects to recognise within one year from the reporting date or normal operating cycle.

During the Year, advisory fee of approximately HK\$302,000 (2024: approximately HK\$93,000) that was included in the contract liabilities balance at the beginning of the Year was recognised as revenue.

## 24. LEASE LIABILITIES

	<i>HK\$'000</i>
As at 1 March 2023	1,826
Interest expenses	42
Lease payments	<u>(1,538)</u>
As at 29 February 2024	330
Addition	2,075
Interest expenses	92
Lease payments	<u>(1,240)</u>
Balance as at 28 February 2025	<u>1,257</u>

Future lease payments are due as follows:

	<b>28 February 2025</b>		
	<b>Future lease payments <i>HK\$'000</i></b>	<b>Interest <i>HK\$'000</i></b>	<b>Present value <i>HK\$'000</i></b>
Not later than one year	<b>1,060</b>	<b>(52)</b>	<b>1,008</b>
Later than one year but not later than two years	<u><b>252</b></u>	<u><b>(3)</b></u>	<u><b>249</b></u>
Lease liabilities as at 28 February 2025	<u><b>1,312</b></u>	<u><b>(55)</b></u>	<u><b>1,257</b></u>
	<b>29 February 2024</b>		
	<b>Future lease payments <i>HK\$'000</i></b>	<b>Interest <i>HK\$'000</i></b>	<b>Present value <i>HK\$'000</i></b>
Not later than one year	332	(2)	330
Later than one year but not later than two years	<u>—</u>	<u>—</u>	<u>—</u>
Lease liabilities as at 29 February 2024	<u><b>332</b></u>	<u><b>(2)</b></u>	<u><b>330</b></u>

- (i) The present value of future lease payments is analysed as follows:

	<b>28 February 2025 HK\$'000</b>	29 February 2024 HK\$'000
Current liabilities	1,008	330
Non-current liabilities	<u>249</u>	<u>—</u>
	<b><u>1,257</u></b>	<b><u>330</u></b>

- (ii) Amounts recognised in profit or loss

	<b>2025 HK\$'000</b>	2024 HK\$'000
Interest on lease liabilities	<b><u>92</u></b>	<b><u>42</u></b>

## 25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>2025 HK\$'000</b>	2024 HK\$'000
Financial assets measured at FVTPL		
— Equity securities listed in Hong Kong ( <i>note (i)</i> )	37,190	64,163
— Equity securities listed outside Hong Kong ( <i>note (i)</i> )	1,105	—
— Unlisted equity investment in Hong Kong ( <i>note (ii)</i> )	<u>5,855</u>	<u>5,355</u>
	<b><u>44,150</u></b>	<b><u>69,518</u></b>

### Notes:

- (i) The fair value of the listed securities is determined based on closing market price available on the stock exchanges in Hong Kong and outside Hong Kong.
- (ii) As at 28 February 2025, the Group held ordinary shares in two unlisted companies incorporated in Hong Kong. The Group acquired 5,000,000 shares at a consideration of RMB5,000,000 (equivalent to approximately HK\$5,355,000), representing approximately 9.09% of its equity interest in year end 29 February 2024. During the Year, the Group also acquired 500,000 shares in another unlisted company for a consideration of HK\$500,000, representing approximately 5.89% of its equity interest. The Group will continue to monitor these investments and consider disposal opportunities when appropriate.

## 26. RELATED PARTY TRANSACTIONS AND BALANCES

During the Year, the Group entered into the following transactions with related parties:

	2025 HK\$'000	2024 HK\$'000
Commission income		
— Mr. Chung Chi Man	—	0.1
Management fee income		
Innovax Alpha SPC — Innovax Balanced Fund SP ( <i>note</i> )	395	408
Interest income		
— Mr. Chung Chi Man	71	—
— Mr. Poon Siu Kuen, Calvin	<u>51</u>	<u>21</u>

*Note:* Mr. Li Lap Sun (key management personnel of the Group) has interests in the management shares of Innovax Alpha SPC and the participating shares of Innovax Alpha SPC — Innovax Balanced Fund SP which is managed by Innovax Asset Management Limited.

The following balance was outstanding at the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
Loan receivable		
— Mr. Chung Chi Man	1,513	—
— Mr. Poon Siu Kuen, Calvin	<u>1,714</u>	<u>700</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Market Review

During the Year, the global economy demonstrated resilience despite facing multiple challenges. Geopolitical tensions, increasing trade fragmentation and monetary policy tightening by major economies contributed to heightened uncertainty. Nonetheless, global GDP growth remained steady. Central banks began easing monetary policies, fiscal support remained in place, and global trade showed signs of recovery, helping stabilise international investment flows.

However, economic momentum remained fragile and downside risks persisted. Key concerns included shifts in US monetary policy, global supply chain restructuring, rapid rise of artificial intelligence revolutionising industries, and growing trade protectionism. Further geopolitical instability or trade disputes could exert additional downward pressure. Inflation is projected to decline at a slower pace than previously anticipated, with some regions continuing to experience persistent price pressures.

China's economy maintained stable growth despite global uncertainties. In the year of 2024, an annual GDP growth of approximately 5.0% was recorded, aligning with the government's target. Industrial production remained steady and exports remained strong, but economic growth may face increased challenges. Domestic demand struggled amid continued weakness in the property sector, which dampened consumer confidence, and global trade conditions remain volatile, with rising geopolitical risks potentially affecting export performance. In response, the Chinese government implemented fiscal reforms and stimulus measures, including adjustments to consumption tax policies, deeper financial system restructuring, infrastructure investment and policies to boost consumption, aiming at supporting economic stability.

During the Year, Hong Kong's economy experienced moderate growth, primarily driven by improvements in external trade. However, the economic recovery remained constrained by external headwinds, including China's economic slowdown and global geopolitical tensions. The retail sector continued to experience pressures, as changing consumer behaviour, increased cross-border spending and continued cautious consumer sentiment impacted local businesses. The residential property market continued to decline due to high interest rates and lack of robust economic drivers.

During the Year, the US stock market demonstrated robust performance driven by strong corporate earnings and optimism around economic policies. The Dow Jones index, the S&P 500 index and the Nasdaq Composite increased by approximately 12.4%, approximately 9.8% and approximately 17.1% respectively, closing at 43,841, 5,595, 18,847 respectively. During the Year, while uncertainty around global trade tensions and domestic economic challenges especially the properties market weakness led to volatility, policy support, easing monetary conditions, tech sector resilience with strong investment in artificial intelligence and semiconductor industries, and foreign capital inflows boosted market confidence, the Shanghai Stock Exchange Composite Index, Shenzhen Stock Exchange Composite Index and ChiNext Index increased by approximately 10.1%, approximately 13.7% and approximately 20.1% respectively, closing at 3,321, 10,611 and 2,170 respectively. During the Year, Hong Kong stock market experienced significant fluctuations but ultimately recorded strong gains, where the Hang

Seng Index increased by approximately 38.9%, closing at 22,941 and the average daily trading turnover of the Hong Kong stock market increased to approximately HK\$152.7 billion by approximately 53.7% as compared to the year ended 29 February 2024. During the Year, the total amount of funds raised from newly listed companies on the Main Board increased by approximately 110.0% to approximately HK\$93.6 billion, and the number of newly listed companies on the Main Board increased by approximately 5.9% to 72 (including 1 company that was transferred from GEM to the Main Board), as compared to the year ended 29 February 2024. During the Year, there were 3 newly listed companies on GEM with the total amount of funds raised of approximately HK\$234.9 million.

## **Business Overview**

The Group is an integrated financial and securities services provider licensed to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO and money lending business under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

The Group provides a wide range of financial and securities services to its clients. Its services cover corporate finance advisory services including (i) IPO sponsorship services; (ii) financial and independent financial advisory services; and (iii) compliance advisory services, placing and underwriting services, dealing and brokerage services for securities trading and futures contracts trading, securities financing services, research services, asset management services and money lending services.

During the Year, the Group's total revenue was approximately HK\$167.7 million, representing an increase of approximately 412.4%, as compared to the year ended 29 February 2024. Such increase was mainly attributable to successfully (i) expanding the product and service coverage of its placing and underwriting business to include debt capital markets; (ii) engaging as investment manager for more investment funds and increasing the size of asset under its management; and (iii) increasing secured personal loan services and corporate loan services under its money lending business, resulting in the increase in the revenue derived from the Group's placing underwriting business, asset management business and money lending business of approximately 1,288%, approximately 15.2% and approximately 55.1% respectively, as compared to the year ended 29 February 2024, notwithstanding that the revenue derived from the Group's corporate finance business, securities dealing and brokerage business and securities financing business decreased by approximately 27.6%, approximately 4.5% and approximately 52.7% respectively, as compared to the year ended 29 February 2024.

During the Year, the Group recorded a loss and total comprehensive expense of approximately HK\$35.3 million, as compared with a profit and total comprehensive income of approximately HK\$1.8 million for the year ended 29 February 2024. The change from profit to loss was mainly attributable to the net unrealised loss on financial assets at fair value through profit or loss of approximately HK\$16.3 million and the net realised loss on financial assets at fair value through profit or loss of approximately HK\$9.8 million for the Year, as compared with the net unrealised gain on financial assets at fair value

through profit or loss of approximately HK\$2.6 million and the net realised gain on financial assets at fair value through profit or loss of approximately HK\$19.8 million for the year ended 29 February 2024.

### **Corporate Finance Advisory Services**

During the Year, the Group was engaged in a total of 45 corporate finance advisory projects (2024: 28 projects), including 7 IPO sponsorship projects (2024: 7 projects), 29 financial and independent financial advisory projects (2024: 14 projects) and 9 compliance advisory projects (2024: 7 projects). Income generated from the corporate finance advisory business amounted to approximately HK\$8.5 million, representing a decrease of approximately 27.6% from approximately HK\$11.7 million for the year ended 29 February 2024.

The Group has been actively maintaining frequent contacts with existing clients to identify business opportunities with them. Leveraging on the resources and network of the Group's senior management, the Group has been proactively approaching new clients from different geographical locations and with demand for different corporate finance services so as to broaden its project reserves.

#### ***IPO sponsorship services***

Leveraging on its competitiveness and solid experience, provision of IPO sponsorship services remains as the Group's core business. During the Year, the Group was engaged in 7 IPO sponsorship projects (2024: 7 projects) and income generated from provision of IPO sponsorship services was approximately HK\$2.0 million (2024: approximately HK\$8.2 million).

During the Year, the Group did not complete any IPO sponsorship project.

#### ***Financial and independent financial advisory services***

The Group's financial advisory services mainly include (i) acting as financial adviser to Hong Kong listed companies and their major shareholders on notifiable transactions under the Listing Rules and the GEM Listing Rules; and (ii) acting as financial adviser to major shareholders of listed companies in Hong Kong and investors seeking to control or invest in listed companies in Hong Kong on matters falling within the ambit of the Takeovers Code. Independent financial advisory services include acting as independent financial adviser to independent board committee and/or independent shareholders of listed companies in Hong Kong on transactions under the Listing Rules, the GEM Listing Rules and the Takeovers Code.

During the Year, the Group was engaged in 23 financial advisory projects (2024: 10 projects) and 6 independent financial advisory projects (2024: 4 projects) and income generated from provision of financial and independent financial advisory services was approximately HK\$4.5 million (2024: approximately HK\$2.0 million).

### ***Compliance advisory services***

The Group acts as compliance adviser to newly listed and existing listed companies on the Main Board or GEM and advises them on post-listing compliance matters.

During the Year, the Group was engaged in 9 compliance advisory projects (2024: 7 projects) and income generated from provision of compliance advisory services was approximately HK\$2.0 million (2024: approximately HK\$1.5 million).

### **Placing and Underwriting Services**

The Group provides placing and underwriting services by acting as (i) placing or sub-placing agent or underwriter or sub-underwriter or distributor for issue of new shares by listed companies or placing of existing shares of listed companies; (ii) overall coordinator or bookrunner or lead manager or underwriter or sub-underwriter or distributor for IPOs of listing applicants; and (iii) bookrunner or underwriter or sub-underwriter for issue of bonds by listed or unlisted corporations, in return for placing and/or underwriting commission income.

During the Year, the Group completed 33 placing and underwriting projects (2024: 12 projects), including 6 transactions as placing agent for issue of new shares by listed companies, 1 transaction as sub-placing agent or distributor for issue of new shares by listed company, 1 transaction as placing agent for placing of existing shares of listed company, and 25 transactions as bookrunner and underwriter for issue of bonds by unlisted corporations, and income generated from the placing and underwriting business was approximately HK\$151.5 million (2024: approximately HK\$10.9 million).

The Group will leverage its expertise and extensive industry network to secure more equity and bond placing and underwriting projects and will continue to further expand its product and service coverage.

### **Securities Dealing and Brokerage Services**

The Group provides securities dealing and brokerage services to its clients for trading in securities listed on the Main Board or GEM or the US stock markets in return for brokerage commission income.

As at 28 February 2025, the Group had 1,003 securities accounts maintained in Innovax Securities Limited (2024: 1,015) and the commission income generated from the securities dealing and brokerage business was approximately HK\$2.9 million during the Year (2024: approximately HK\$3.0 million).

The Group continuously evaluates and expands the range of services of its securities dealing and brokerage business to meet the evolving needs of clients and capitalise on the market trends. To this end, the Group plans to further enhance its existing services offerings and expand its service coverage, including discretionary account management services, wealth management services and trading and brokerage services for securities listed in the US or other overseas stock markets.

## **Securities Financing Services**

The Group provides securities financing services by providing (i) margin financing to its clients for purchasing securities on the secondary market; and (ii) IPO financing to its clients for subscribing shares offered under public tranche of IPOs.

As at 28 February 2025, the total outstanding balance of margin loans amounted to approximately HK\$13.4 million (2024: approximately HK\$18.6 million) and the interest income generated from the securities financing business was approximately HK\$2.6 million during the Year (2024: approximately HK\$5.5 million). The decrease in the total outstanding balance of margin loans was due to the Group's prudent approach and strategy to reduce its risk exposure under the highly volatile market condition during the Year.

The Group will continue to develop its securities financing services steadily and improve its risk management system and credit control capabilities in order to mitigate potential market risks and operational risks.

## **Asset Management Services**

The Group provides fund management services to professional investors as well as discretionary account management services to its clients.

As at 28 February 2025, the asset under management of Innovax Alpha SPC — Innovax Balanced Fund SP was approximately US\$2.8 million (equivalent to approximately HK\$21.5 million) (2024: approximately US\$2.9 million (equivalent to approximately HK\$22.8 million)). During the Year, the Group was engaged as the investment manager for 3 newly set up investment funds, 2 of which are limited partnership funds and 1 of which is under an open-ended fund companies structure, and the aggregated asset under management of these investment funds was approximately US\$6.1 million (equivalent to approximately HK\$47.7 million) as at 28 February 2025. The income generated from the asset management business was approximately HK\$492,000 during the Year (2024: approximately HK\$427,000).

The Group aims to provide clients with more comprehensive and sophisticated range of investment solutions through expanding its discretionary account management services and setting up more specialised investment funds including hedge funds, private equity funds and venture capital funds, via the Group's existing open-ended fund companies structure in Hong Kong, which is registered with the Securities and Futures Commission, or Cayman Island fund structure or limited partnership fund structure, to cater for the evolving needs of clients and capitalise on market opportunities.

## **Money Lending Services**

The Group provides money lending services through Innovax Credit Limited.

During the Year, the Group had provided personal loan services and corporate loan services. Clients are generally solicited through (i) proactively approaching by the Group's management and (ii) referral from existing clients. The source of funds of the money lending business is mainly from the Groups' internal resources.

Details of the Group's money lending business for the two years ended 28 February 2025 are as follows:

	2025	2024
<b>Personal loans</b>		
Number of personal loans (per person)	10	9
Outstanding principal amount of personal loans (HK\$'000)	27,354	19,478
Range of interest rates (per annum)	3%–15%	3%–15%
<b>Corporate loan</b>		
Number of corporate loan (per corporate)	1	—
Outstanding principal amount of corporate loan (HK\$'000)	2,443	—
Interest rate (per annum)	<u>5%</u>	<u>—</u>

The Group will only advance new loans to those borrowers who have good financial credit rating and all overdue balances are reviewed regularly by the Group's senior management.

During the Year, the interest income from the money lending business was approximately HK\$1.7 million (2024: approximately HK\$1.1 million) and accounted for approximately 1.0% (2024: approximately 3.4%) of the Group's revenue. The loan receivables as at 28 February 2025 was approximately HK\$30.5 million (2024: approximately HK\$19.5 million). During the Year, the Group's money lending business did not record any doubtful or bad debt.

As at 28 February 2025, the amount of loan receivables due from the largest borrower and the five largest borrowers were approximately HK\$8.8 million (approximately 29.5% of the total loan receivables) (2024: approximately HK\$6.7 million (approximately 34.6% of the total loan receivables)) and approximately HK\$22.8 million (approximately 76.6% of the total loan receivables) (2024: approximately HK\$18.1 million (approximately 92.9% of the total loan receivables)) respectively.

The Group plans to expand its product portfolio by increasing secured personal loan services, which involve accepting physical assets, such as real estate properties, as collateral from borrowers, and corporate loan services.

The Group has in place internal control procedures in relation to its money lending business, including but not limited to conducting prudent credit assessment and customer due diligence by gathering personal and financial background information of the clients, and performing relevant litigation search, company search, and/or land search from the Hong Kong courts, Companies Registry and Land

Registry as necessary. The Group cautiously determines the approval of the loan application taking into account the credit assessment and customer due diligence results and the relevant loan terms. The senior management of the Group conducts regular review on the repayment progress and the outstanding balance exposure.

The Group has implemented effective credit control procedures and there was no delinquent loan as at the date of this announcement.

### **Future Contracts Dealing and Brokerage Services**

Since June 2019, the Group has been licensed to conduct type 2 (dealing in future contracts) regulated activity. During the Year, the Group did not conduct any business in relation to dealing in future contracts and therefore, no revenue was generated from the future contracts dealing and brokerage business.

## **FINANCIAL REVIEW**

### **Revenue**

During the Year, the Group's total revenue was approximately HK\$167.7 million, representing an increase of approximately 412.4%, as compared to the year ended 29 February 2024. Such increase was mainly attributable to successfully (i) expanding the product and service coverage of its placing and underwriting business to include debt capital markets; (ii) engaging as investment manager for more investment funds and increasing the size of asset under its management; and (iii) increasing secured personal loan services and corporate loan services under its money lending business, resulting in the increase in the revenue derived from the Group's placing and underwriting business, asset management business and money lending business of approximately 1,288%, approximately 15.2% and approximately 55.1% respectively, as compared to the year ended 29 February 2024, notwithstanding that the revenue derived from the Group's corporate finance business, securities dealing and brokerage business and securities financing business decreased by approximately 27.6%, approximately 4.5% and approximately 52.7% respectively, as compared to the year ended 29 February 2024.

### **Other Operating Expenses**

During the Year, the Group's other operating expenses increased by approximately 952.5% to approximately HK\$158.5 million (2024: approximately HK\$15.0 million). Such increase was mainly attributable to the subunderwriting expenses in relation to the participation in the underwriting for issue of bonds during the Year of approximately HK\$148.7 million while there was no such participation and relevant expense recognised during the year ended 29 February 2024.

### **Staff Costs**

During the Year, staff costs decreased by approximately 46.4% to approximately HK\$22.2 million (2024: approximately HK\$41.4 million). Such decrease was mainly due to the Group's continuous effort in cost control by optimising the effectiveness of staff remuneration plan.

## **Loss attributable to the owners of the Company**

During the Year, the Group recorded a loss and total comprehensive expense of approximately HK\$35.3 million, as compared with a profit and total comprehensive income of approximately HK\$1.8 million for the year ended 29 February 2024. The change from profit to loss was mainly attributable to the net unrealised loss on financial assets at fair value through profit or loss of approximately HK\$16.3 million and the net realised loss on financial assets at fair value through profit or loss of approximately HK\$9.8 million for the Year, as compared with the net unrealised gain on financial assets at fair value through profit or loss of approximately HK\$2.6 million and the net realised gain on financial assets at fair value through profit or loss of approximately HK\$19.8 million for the year ended 29 February 2024.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

The Group's working capital and other capital requirements were principally satisfied by cash generated from the Group's operations and capital.

As at 28 February 2025, the Group's net current assets amounted to approximately HK\$184.6 million (2024: approximately HK\$209.0 million), and its liquidity as represented by current ratio (current assets/current liabilities) was approximately 2.11 times (2024: approximately 3.86 times). As at 28 February 2025, cash and bank balances amounted to approximately HK\$97.2 million (2024: approximately HK\$112.0 million).

Gearing ratio is calculated based on debts including payables incurred not in the ordinary course of business divided by the total equity as at the end of the financial year. As at 28 February 2025 and 29 February 2024, the Group's debts including payables incurred not in the ordinary course of business were nil, representing a gearing ratio of nil.

As at 28 February 2025 and the date of this announcement, the total issued shares of the Company were 60,000,000 (2024:400,000,000).

The Group monitors its capital structure from time to time according to the market condition and capital requirements of the Group.

## **SHARE CONSOLIDATION**

On 26 September 2024, the Company proposed to implement the share consolidation (the “**Share Consolidation**”) on the basis that every ten (10) then existing shares in the share capital of the Company be consolidated into one (1) consolidated share. The Share Consolidation was approved by the shareholders of the Company at the extraordinary general meeting of the Company on 23 October 2024, and came into effect on 25 October 2024. The existing board lot of 2,000 shares remains unchanged upon the Share Consolidation becoming effective.

For more details of the Share Consolidation, please refer to the announcements of the Company dated 26 September 2024 and 23 October 2024, and the circular of the Company dated 8 October 2024.

## RIGHTS ISSUE

On 6 December 2024, the Company completed a rights issue (the “**Rights Issue**”) on the basis of one (1) rights share for every two (2) shares held on the record date at the subscription price of HK\$0.60 per rights share and issued 20,000,000 ordinary shares of the Company. All the unsubscribed rights shares were subject to placing (the “**Compensatory Arrangements**”) by Innovax Securities Limited as placing agent (the “**Placing Agent**”), and were successfully placed by the Placing Agent at the price of HK\$0.6 per share. Details of the Rights Issue and the Compensatory Arrangements are set out in the announcements of the Company dated 26 September 2024, 25 November 2024 and 5 December 2024, the circular of the Company dated 8 October 2024, and the prospectus of the Company dated 5 November 2024.

The gross proceeds raised from the Rights Issue (including the Compensatory Arrangements) were approximately HK\$12.0 million and the net proceeds (after deducting all relevant expenses) from the Rights Issue were approximately HK\$11.6 million. Up to the date of this Announcement, the Group has utilised the net proceeds as follows:

Use of net proceeds	Intended use of net proceeds as stated in the prospectus dated 5 November 2024 HK\$'000	Actual use of net proceeds up to the date of this announcement HK\$'000	Unutilized net proceeds up to the date of this announcement HK\$'000	Expected timeline for the intended use
Increasing capital for the expansion of the placing and underwriting business including expansion of service coverage to debt capital markets	5,700	5,700	—	On or before 20 November 2025
Increasing capital for the expansion of the fund management service	3,400	3,400	—	On or before 20 November 2025
General working capital of the Group	2,500	2,500	—	On or before 20 November 2025

## PLEDGE OF ASSETS

As at 28 February 2025, the Group did not have any pledged assets (2024: Nil).

## FOREIGN CURRENCY EXPOSURE

The majority of the Group’s revenue is denominated in Hong Kong dollars and the Group’s accounts are prepared in Hong Kong dollars. Consequently, the Group’s exposure to the risk of foreign exchange rate fluctuations is not material.

## **CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

As at 28 February 2025, the Group did not have any significant capital commitment and contingent liability (2024: Nil).

## **LOAN COMMITMENT**

As at 28 February 2025, the Group did not have any loan commitment (2024: Nil).

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 28 February 2025, the Group employed 38 staff (including the executive Directors) (2024: 35). The employees' remuneration was determined based on factors such as qualification, duty, contributions and years of experience of the employees.

Moreover, the Group provides comprehensive training programs to its employees or sponsors the employees to attend various job-related training courses.

During the Year, staff costs decreased by approximately 46.4% to approximately HK\$22.2 million (2024: approximately HK\$41.4 million). Such decrease was mainly due to the Group's continuous effort in cost control by optimising the effectiveness of staff remuneration plan.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

During the Year, the Group did not have any material acquisitions and disposals of subsidiaries, associates or joint ventures.

## SIGNIFICANT INVESTMENTS HELD BY THE GROUP

### Significant Investments

As at 28 February 2025, the Group maintained equity investments at fair value through profit and loss with a total carrying amount of approximately HK\$44.1 million. Details of the Group's significant investments as at 28 February 2025 are set out as follows:

Stock Code	Name of the investee	Percentage of shareholding in the listed securities held by the Group as at 28 February 2025	Percentage of the fair value of the investment in listed securities to total assets of the Group as at 28 February 2025	Fair value of the investment in listed securities as at 28 February 2025 HK\$'000	Cost of the investment in listed securities as at 28 February 2025 HK\$'000	Unrealized loss for the year ended 28 February 2025 HK\$'000
Equity investments at fair value through profit and loss						
1542	Taizhou Water Group Co., Ltd	5.85%	4.8%	16,965	48,159	14,391
	Total			16,965	48,159	14,391

### Performance and prospects of the investee

#### Taizhou Water Group Co., Ltd. (“Taizhou Water”)

Taizhou Water together with its subsidiaries (“**Taizhou Water Group**”) are principally engaged in supply of raw water, municipal water, pipeline direct drinking water, packaged drinking water and tap water, ranking the first in Taizhou in terms of raw water and municipal water supply. Taizhou Water Group also offers tap water directly to end-users and engages in the installation of water pipelines for distributing tap water to end-users. Taizhou Water Group owns, operates and manages the Taizhou Water Supply System (Phase I), the Taizhou Water Supply System (Phase II), the Taizhou Water Supply System (Phase III) and the Taizhou Water Supply System (Phase IV). The designed raw water supply capacity is approximately 1,220,000 tonnes per day, and the municipal water supply capacity is 750,000 tonnes per day in the South Area of Taizhou.

As stated in Taizhou Water's annual report for the year ended 31 December 2024, Taizhou Water Group recorded a revenue for the year ended 31 December 2024 of approximately RMB600.8 million, representing a decrease of approximately 0.9% from the year ended 31 December 2023. Taizhou Water Group recorded a loss after tax for the year ended 31 December 2024 of approximately RMB118.0 million, as compared to a loss after tax of approximately RMB110.5 million for the year ended 31

December 2023. The basic loss per share for the year ended 31 December 2024 amounted to approximately RMB0.48. The audited consolidated net asset value of Taizhou Water Group as at 31 December 2024 was approximately RMB978.4 million.

According to Taizhou Water's annual report for the year ended 31 December 2024, guided by the national strategic directions of "water conservation priority" and the "Dual Carbon" goals, Taizhou Water Group will anchor the overarching goal of building a modern and comprehensive water group, with smart water management as its core driver. Aligning with water industry policy trends, Taizhou Water Group will thoroughly implement the spirit of General Secretary Xi Jinping's important expositions on the reform and development of state-owned enterprises, Party building, and water management, water conservation and water use. Taizhou Water Group will optimise its industrial layout, further strengthen and refine its core businesses, focus on building a higher-standard water supply security system, steadily advance the extension of the industrial chain, accelerate the cultivation and development of new quality productive forces, establish an integrated innovation system of "water services + technology + talent", enhance core functionalities, elevate core competitiveness, and drive high-quality development of Taizhou Water Group.

The Company is optimistic about the long-term development of the water supply industry, and thus is optimistic on the future prospects of Taizhou Water Group. The Group may realise the investments from time to time where to do so is to be in the best interests of the Group or where the terms on which such realisation to be particularly favorable to the Group.

As at 28 February 2025, the Group held 11,700,000 H shares of Taizhou Water. Taizhou Water closed at HK\$1.45 as at 28 February 2025.

Save as disclosed above, the Group did not hold any other significant investment with a value greater than 5% of the Group's gross assets as at 28 February 2025.

## **RISK MANAGEMENT**

The risk management process includes risk identification, risk evaluation, risk management measures and risk control and review.

The management is entrusted with duties to identify, analyse, evaluate, respond, monitor and communicate risks associated with any activity, function or process within its scope of responsibility and authority. It endeavours to evaluate and compare the level of risk against predetermined acceptable level of risk. For risk control and monitoring, it involves making decisions regarding which risks are acceptable and how to address those that are not. The management will develop contingency plans for possible loss scenarios. Accidents and other situations involving loss or near-loss will be investigated and properly documented as part of the effort to manage risks.

## **FINAL DIVIDEND**

The Board has resolved not to declare any final dividend for the Year (2024: Nil).

## **EVENT AFTER THE REPORTING PERIOD**

As at the date of this announcement, there was no significant event after the reporting period.

## **NO MATERIAL ADVERSE CHANGE**

The Directors confirmed that there was no material adverse change in the Group's financial and trading position or prospects since 28 February 2025.

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

Save as disclosed above, the Group did not have any plans for material investments and capital assets as at 28 February 2025.

## **OUTLOOK AND PROSPECT**

The Group remains cautiously optimistic about a gradual stabilisation and improvement in the financial market. The anticipated easing of monetary policy by the US Federal Reserve, driven by declining inflationary pressures, may provide some relief to global markets. Artificial intelligence and high-tech industries are expected to drive new waves of economic expansion, with companies increasingly integrating AI-driven innovations into their business models. In China, proactive fiscal and monetary policies are expected to continue supporting domestic economic recovery, but challenges remain, including a fragile property sector and muted consumer sentiment. Meanwhile, the global economy faces growth challenges amid heightened uncertainties including escalating trade tensions, financial market fluctuations, persisting geopolitical risks especially with the prolonged Russia-Ukraine conflict and escalating tensions in the Middle East, and heightened policy uncertainty, could further hinder short- and long-term economic prospects and contribute to ongoing market volatility.

Against this backdrop, the Group recognises that the business environment in the coming financial year will remain complex and challenging. The Group will closely monitor regulatory updates, trade developments and technological advancements to mitigate risks and seize opportunities. The Group will continue to adopt a prudent and disciplined approach to manage market and operational risks by continuing to enhance its risk management and credit control capabilities, and will stay vigilant and aware of impacts from adverse market condition and operational environment by following disciplined cost control strategy.

As a comprehensive financial and securities services platform, the Group will focus on strengthening its core business by expanding product range, enhancing service offerings, and growing customer base. At the same time, the Group will actively explore strategic opportunities for business diversification to drive long-term development.

The supportive stance of the Hong Kong and Chinese governments towards the financial sector of Hong Kong, including ongoing enhancements to the listing regime, development of offshore RMB business and reinforcement of Hong Kong's role in the Greater Bay Area, remains encouraging. The Group believes that Hong Kong will continue to play a pivotal role as an international financial centre

and a gateway to the Chinese market. The Group will continue to align with national strategies and leverage its overseas network and talent pool to pursue cross-border business expansion and foster strategic partnerships.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Throughout the Year and up to the date of this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

## **CORPORATE GOVERNANCE PRACTICES**

During the Year and up to the date of this announcement, the Company has applied the principles and code provisions of the Corporate Governance Code (“**CG Code**”) contained in Appendix C1 to the Listing Rules (the “**Code Provisions**”) as the basis of the Company’s corporate governance practices.

The Board is of the view that the Company has complied with the Code Provisions set out in the CG Code during the Year and up to the date of this announcement.

## **DIRECTORS’ SECURITIES TRANSACTIONS**

The Company has adopted the Model Code as the required standard for securities transactions by the Directors.

The Company has made specific enquiries of all Directors and all Directors have confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding Directors’ securities transactions during the Year.

## **AUDIT COMMITTEE**

The audit committee of the Company (the “**Audit Committee**”) has reviewed the Group’s consolidated financial statements for the year ended 28 February 2025, including the accounting principles adopted by the Group, with the Company’s management.

As at the date of this announcement, the Audit Committee comprises three members, namely, Ms. Chan Ka Lai, Vanessa (Committee Chairman), Dr. Wu Kwun Hing and Mr. Kwong Hon Nan, Eric, all being independent non-executive Directors of the Company.

## **SCOPE OF WORK OF BDO LIMITED**

The figures in respect of the Group’s consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 28 February 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, BDO Limited (“**BDO**”), to the amounts set out in the Group’s audited consolidated financial statements

for the Year. The work performed by BDO 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 BDO on the preliminary announcement.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed percentage of public float under the Listing Rules.

## **PUBLICATION OF INFORMATION ON THE STOCK EXCHANGE'S WEBSITE**

The annual results announcement and annual report of the Company for the year ended 28 February 2025 containing all the information required by the Listing Rules will be despatched to the shareholders and published on the website of the Stock Exchange at <http://www.hkex.com.hk> and the website of the Company at [www.innovax.hk](http://www.innovax.hk) in due course.

By Order of the Board  
**Innovax Holdings Limited**  
**Chung Chi Man**  
Chairman

Hong Kong, 30 May 2025

*As at the date of this announcement, the Board comprises: Mr. Chung Chi Man as Chairman of the Company and executive director; Mr. Poon Siu Kuen, Calvin as chief executive officer and executive Director; Dr. Wu Kwun Hing, Mr. Kwong Hon Nan, Eric and Ms. Chan Ka Lai, Vanessa as independent non-executive Directors.*

*This announcement has been issued in the English language with a separate Chinese language translation. If there is any conflict in the announcement between the meaning of Chinese words or terms in the Chinese language version and English words in the English language version, the meaning of the English words shall prevail.*