THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Innovax Holdings Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent **through** whom the sale was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular is for information purposes only and does not constitute an offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for the securities referred to in this circular.

INNOVAX HOLDINGS LIMITED
創陞控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2680)

CONNECTED AND DISCLOSEABLE TRANSACTION INVOLVING DISPOSAL OF INNOVAX CREDIT AND INNOVAX MANAGEMENT AND SPECIAL DEAL; AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent financial adviser to the Independent Board Committee and the Independent Shareholders

MERDEKA 領智

Unless the context requires otherwise, terms used in this cover shall have the same meaning as those in the circular.

A letter from the Board is set out on pages 5 to 16 of this circular. A letter from the Independent Board Committee containing its advice to the Independent Shareholders is set out on pages 17 to 18 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 19 to 39 of this circular.

A notice convening the EGM to be held at Unit A to C, 20/F, Neich Tower, 128 Gloucester Road, Wanchai, Hong Kong on Friday, 5 December 2025 at 2:00 p.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is also enclosed with this circular. Whether or not you are able to attend EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event no less than 48 hours before the time appointed for the holding of the EGM (i.e. before 2:00 p.m. on Wednesday, 3 December 2025) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish and, in such event, the form of proxy shall be deemed to be revoked.

References to dates and time in this circular are to Hong Kong dates and time.

17 November 2025

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In this circular, unless the context otherwise requires, the following terms or expressions shall have the following meanings:

"acting in concert"	has the meaning ascribed to it under the Takeovers Code
"AFG Securities"	AFG Securities Limited, a corporation licensed by the SFC to conduct Type 1 (dealing in securities) regulated activity under the SFO, being the agent making the Offer on behalf of the Offeror
"associate(s)"	has the meaning ascribed to it under the Takeovers Code
"Board"	the board of Directors of the Company
"Billion Shine"	Billion Shine International Investment Limited, a company incorporated in British Virgin Islands and is wholly-owned by the Vendor as at the Latest Practicable Date
"Company"	Innovax Holdings Limited, a company incorporated in the Cayman Islands with limited liability and issued Share of which are listed on the Stock Exchange (stock code: 2680)
"connected person"	has the meaning ascribed to it under the Listing Rules
"CPL"	Crystal Prospect Limited, a company with limited liability incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of the Company
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the entire issued share capital of Innovax Credit and Innovax Management
"Disposal Adjusted Value"	has the meaning set out in the section headed "LETTER FROM THE BOARD – 2. DISPOSAL AGREEMENT – Disposal Consideration" of this circular
"Disposal Agreement"	the conditional agreement entered into between CPL and MSL on 25 September 2025 (after trading hours) in relation to the Disposal
"Disposal Completion"	the completion of the Disposal in accordance with the terms of the Disposal Agreement

"Disposal Completion Date"	the date on which Disposal Completion takes place as mutually agreed by CPL and MSL in writing, being within 14 days after the date of actual fulfilment or waiver of all the Disposal Conditions Precedent
"Disposal Conditions Precedent"	conditions precedent to Disposal Completion in accordance with the Disposal Agreement
"Disposal Consideration"	the consideration in the amount of HK$58.2 million for the Disposal pursuant to the Disposal Agreement
"Disposal Long Stop Date"	31 March 2026, or such other date as CPL and MSL may agree in writing
"EGM"	the extraordinary general meeting of the Company, to be convened and held on Friday, 5 December 2025 to consider and, if thought fit, to approve the Disposal Agreement and the transactions contemplated thereunder
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
"Group"	the Company and its subsidiaries from time to time
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent committee of the board of directors of the Company comprising Dr. Wu Kwun Hing, Mr. Kwong Hon Nan, Eric and Ms. Chan Ka Lai, Vanessa, being all the independent non-executive Directors, established for the purpose of advising the Independent Shareholders as to whether the Special Deal is fair and reasonable and as to the voting action at the EGM
"Independent Financial Adviser" or "Merdeka"	Merdeka Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company for the purpose of advising the Independent Board Committee in respect of the Offer and the Special Deal

"Independent Shareholders"	holder(s) of the Share(s), other than the Vendor and the parties acting in concert with him, those Shareholders who are involved in or interested in the Disposal, their respective associates and parties acting in concert with any of them
"Innovax Credit"	Innovax Credit Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
"Innovax Management"	Innovax Management Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
"IPO"	initial public offering
"Joint Announcement"	the announcement dated 10 October 2025 jointly issued by the Company and the Offeror in relation to, among others, the Sale and Purchase Agreement, the Special Deal, the Disposal Agreement and the Offer
"Latest Practicable Date"	14 November 2025 being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Offer"	the possible mandatory unconditional cash offer to be made by AFG Securities on behalf of the Offeror to acquire all the Offer Shares in accordance with the Takeovers Code
"Offeror"	Mr. Wang Tingfa
"PRC"	the People's Republic of China, which for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Sale and Purchase Agreement"	the sale and purchase agreement dated 25 September 2025 and entered into among the Vendor and the Offeror in relation to the sale and purchase of the Sale Shares
"Sale Shares"	110 shares in Billion Shine, representing the entire issued share capital of Billion Shine
"SFC"	the Securities and Futures Commission of Hong Kong

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Special Deal"	the Disposal, which constitutes special deal for the Company under Rule 25 of the Takeovers Code
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers
"Vendor" or "Mr. Chung"	Mr. Chung Chi Man, the chairman of the Board and an executive Director
"%"	per cent.

* *The English transliteration of the Chinese names in this circular, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.*



INNOVAX HOLDINGS LIMITED
創陞控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2680)

Executive Directors:
Mr. Chung Chi Man *(Chairman)*
Mr. Poon Siu Kuen, Calvin *(Chief Executive Officer)*

Independent non-executive Directors:
Dr. Wu Kwun Hing
Mr. Kwong Hon Nan, Eric
Ms. Chan Ka Lai, Vanessa

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Headquarters and Principal place of Business in Hong Kong:
Unit A to C, 20/F
Neich Tower
128 Gloucester Road
Wanchai
Hong Kong

17 November 2025

To the Shareholders

Dear Sir or Madam,

CONNECTED AND DISCLOSEABLE TRANSACTION INVOLVING DISPOSAL OF INNOVAX CREDIT AND INNOVAX MANAGEMENT AND SPECIAL DEAL; AND NOTICE OF EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

In the Joint Announcement, the Company and the Offeror jointly announced that:

(a) on 25 September 2025 (after trading hours), the Vendor (as vendor) and the Offeror (as purchaser) entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Offeror has conditionally agreed to purchase, 110 Sale Shares, representing the entire issued share capital of Billion Shine as at the date of the Sale and Purchase Agreement. Immediately upon Completion, the Offeror (through Billion Shine) and parties acting in concert with him will own an aggregate of 45,000,000 Shares, representing 75% of the entire issued share capital of the Company as at the Latest Practicable Date; and

(b) on 25 September 2025, CPL, a wholly-owned subsidiary of the Company, and MSL, which is wholly-owned by the Vendor, entered into the Disposal Agreement, pursuant to which MSL has conditionally agreed to acquire and CPL has conditionally agreed to sell, or procure the sale of, the entire issued share capital of Innovax Credit and Innovax Management for a total consideration of HK$58.2 million (subject to adjustment).

The purpose of this circular is to provide you with details of, among others, (i) the Disposal Agreement and the Special Deal, (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Disposal Agreement; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Disposal Agreement and the transactions contemplated thereunder; and (iv) a notice of the EGM.

2. THE DISPOSAL AGREEMENT

Date : 25 September 2025

Parties : CPL, as vendor; and MSL, as purchaser.

CPL is a wholly-owned subsidiary of the Company. MSL is wholly-owned by Mr. Chung. Mr. Chung (through Billion Shine) is a controlling Shareholder holding 45,000,000 Shares, representing 75% of the entire issued share capital of the Company. As such, Mr. Chung is a connected person of the Company as defined under the Listing Rules and hence, the Disposal Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Subject matter of the Disposal

On 25 September 2025, MSL has conditionally agreed to acquire and CPL has conditionally agreed to sell, or procure the sale of, the entire issued share capital of Innovax Credit and Innovax Management for a total consideration of HK$58.2 million (subject to adjustment).

The Disposal Completion is conditional in all respects upon fulfilment of the Disposal Conditions Precedent as set out under the paragraph headed "Conditions Precedent under the Disposal Agreement" of this circular.

Disposal Consideration

The Disposal Consideration was initially HK$58.2 million, which represents the sum of:

(a) In respect of Innovax Credit:

(i) approximately HK$33.3 million, being the amount of loan receivables held by Innovax Credit as of the date of the Disposal Agreement; and

(b) In respect of Innovax Management:

(i) approximately HK$16.8 million, being the value of 11,700,000 H shares of Taizhou Water Group Co., Ltd.(台州市水務集團股份有限公司)(Stock Code: 1542) ("**Taizhou Water**") held by Innovax Management as of the date of the Disposal Agreement (representing approximately 23.4% and 5.9% of the total number of issued H shares and of all shares of Taizhou Water, respectively), based on the average closing prices per share as quoted on the Stock Exchange for the last five consecutive trading days prior to and excluding the date of the Disposal Agreement;

(ii) approximately HK$2.5 million, being the value of 12,902,058 shares of DreamEast Group Ltd (Stock Code: 593) ("**DreamEast Group**") held by Innovax Management as of the date of the Disposal Agreement (representing approximately 2.4% of the total number of issued shares of DreamEast Group), based on the closing price per share of DreamEast Group as quoted on the Stock Exchange as of the last trading day of the shares of DreamEast Group before the date of the Disposal Agreement;

(iii) approximately HK$0.2 million, being the value of 550,000 shares of Clarity Medical Group Holding Ltd (Stock Code: 1406) ("**Clarity Medical**") held by Innovax Management as of the date of the Disposal Agreement (representing approximately 0.1% of the total number of issued shares of Clarity Medical), based on the closing price per share of Clarity Medical as quoted on the Stock Exchange as of the last trading day of the shares of Clarity Medical before the date of the Disposal Agreement; and

(iv) approximately HK$5.4 million, being the fair value of Innovax Management's 9.09% investment in Element Investment (Hong Kong) Limited((元素投資(香港)有限公司)("**Element Investment**") as recorded in the Group's audited consolidated financial statements as of 28 February 2025.

Since the shares of DreamEast Group and Clarity Medical had been under a prolonged suspension as of the Disposal Agreement date, and in the absence of more recent market data, the Company considers their last closing price to be the most recent publicly available market-based value.

The Disposal Consideration shall be adjusted on the following basis:

(a) if the Disposal Adjusted Value is less than the Disposal Consideration, the difference between the Disposal Consideration and the Disposal Adjusted Value shall be paid in cash by CPL to MSL (or its nominees) within seven (7) Business Days of Disposal Completion; and

(b) if the Disposal Adjusted Value is higher than the Disposal Consideration, the difference between the Disposal Consideration and the Disposal Adjusted Value shall be paid in cash by MSL to CPL (or its nominees) within seven (7) Business Days of Disposal Completion.

The disposal adjusted value (the "**Disposal Adjusted Value**") represents the sum of:

(a) In respect of Innovax Credit:

(i) the amount of loan receivables held by Innovax Credit as at the Disposal Completion Date, as recorded in the management accounts of Innovax Credit as at the Disposal Completion Date; and

(b) In respect of Innovax Management:

(ii) the number of shares of Taizhou Water held by Innovax Management as of the Disposal Completion Date, multiplied by the average of the closing prices per share of Taizhou Water as quoted on the Stock Exchange for the last five consecutive trading days prior to and excluding the Disposal Completion Date;

(iii) the number of shares of DreamEast Group held by Innovax Management as of the Disposal Completion Date, multiplied by the average of the closing prices per share of DreamEast Group as quoted on the Stock Exchange for the last five consecutive trading days prior to and excluding the Disposal Completion Date. If the shares of DreamEast Group are suspended from trading on the Stock Exchange on the Disposal Completion Date, no adjustment is required;

(iv) the number of shares of Clarity Medical held by Innovax Management as of the Disposal Completion Date, multiplied by the average of the closing prices per share of Clarity Medical as quoted on the Stock Exchange for the last five consecutive trading days prior to and excluding the Disposal Completion Date. If the shares of Clarity Medical are suspended from trading on the Stock Exchange on the Disposal Completion Date, no adjustment is required; and

(v) the fair value of the investment of Innovax Management in Element Investment as of 31 August 2025, as recorded in the Group's unaudited consolidated financial statements as of 31 August 2025.

Conditions Precedent under the Disposal Agreement

The Disposal Completion is conditional upon the fulfilment of the following conditions:

(a) the Disposal and the performance of the obligations of MSL and CPL hereunder in compliance with the Listing Rules and all other applicable laws and regulations;

(b) the passing of the ordinary resolutions approving the Disposal Agreement and the transactions contemplated thereunder by the Independent Shareholders at the EGM;

(c) the consent of the Executive in relation to the Disposal Agreement and the transactions contemplated hereunder as a "special deal" under Rule 25 of the Takeovers Code having been obtained, and any condition for the giving of such consent having been fulfilled, and such consent not having been revoked prior to the Disposal Completion;

(d) all other necessary regulatory consents and approvals required to be obtained on the part of the Company, MSL, CPL, Innovax Credit and Innovax Management in respect of the Disposal Agreement and the transactions contemplated thereunder having been obtained and such consents and approvals not having been revoked;

(e) the warranties given by CPL are true, correct in all respects upon Disposal Completion; and

(f) the Sale and Purchase Agreement having become unconditional.

Save for Disposal Condition Precedent (e) which may be waived by MSL, none of the Disposal Conditions above are capable of being waived by any party to the Disposal Agreement. As at the Latest Practicable Date, save for Disposal Condition Precedent (c) above, no other regulatory consents and approvals are required to be obtained and all other Disposal Conditions Precedent had not been satisfied.

If the Disposal Conditions Precedent set out above have not been satisfied (or, as appropriate, waived) on or before the Disposal Long Stop Date, the Disposal Agreement shall lapse and be of no further effect (save for the confidentiality and other general provisions under the Disposal Agreement which shall continue to take effect), and no party to the Disposal Agreement shall have any liability and obligation to the other parties, save in respect of any antecedent breaches of the Disposal Agreement.

Completion under the Disposal Agreement

Upon fulfilment (or, as appropriate, waiver) of all the Disposal Conditions Precedent, the Disposal Completion shall take place on the day of the Disposal Completion Date. Upon Disposal Completion, the Company will no longer have any interest in Innovax Credit and Innovax Management. Innovax Credit and Innovax Management will cease to be accounted as subsidiaries of the Group.

3. INFORMATION ON THE GROUP

The Company is incorporated in the Cayman Islands with limited liability and its issued shares have been listed on the Stock Exchange since 14 September 2018. 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 Group is an integrated financial and securities services provider licensed to conduct Type 1 (dealing in securities), 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).

4. INFORMATION ON INNOVAX CREDIT AND INNOVAX MANAGEMENT

Innovax Credit was incorporated in Hong Kong with limited liability in 2019 and is a direct wholly-owned subsidiary of the Company as at the Latest Practicable Date. Innovax Credit is principally engaged in money lending business under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

Innovax Management was incorporated in the British Virgin Islands with limited liability in 2018 and is an investment holding company. The assets of Innovax Management, on Disposal Completion, will consist of investment in (i) Taizhou Water; (ii) DreamEast Group; (iii) Clarity Medical; and (iv) Element Investment.

Set out below is a summary of the key financial data of Innovax Credit based on its audited financial statements for the financial years ended 29 February 2024 and 28 February 2025:

	For the year ended	
	28 February 2025	**29 February 2024**
	(audited)	*(audited)*
	HK$('000)	*HK$('000)*
Revenue	1,746	1,126
Net (loss) before tax	(600)	(735)
Net (loss) after tax	(600)	(735)
Loss and total comprehensive expenses for the year	(600)	(734)

As at 28 February 2025, the audited net liabilities of Innovax Credit were approximately HK$1.7 million.

Set out below is a summary of the key financial data of Innovax Management based on its audited financial statements for the financial years ended 29 February 2024 and 28 February 2025:

	For the year ended	
	28 February 2025	**29 February 2024**
	(audited)	*(audited)*
	HK$('000)	*HK$('000)*
Revenue	–	–
Net (loss)/profit before tax	(25,984)	7,612
Net (loss)/profit after tax	(25,984)	7,612
(Loss)/profit and total comprehensive (expenses)/income for the year	(25,984)	7,612

As at 28 February 2025, the audited net liabilities of Innovax Management were approximately HK$20.7 million.

It is expected that upon the Disposal Completion, the Disposal will result in the estimated gain of approximately HK$3.8 million. This estimation is derived from the difference between (i) the gross proceeds from the Disposal of approximately HK$58.2 million and (ii) the total of the audited net liabilities of Innovax Credit and Innovax Management of approximately HK$22.5 million as at 28 February 2025, which have been further adjusted to approximately HK$54.3 million, as if the following streamlining of the financial positions of Innovax Credit and Innovax Management, which were approved by the Board and completed prior to the Disposal Completion, had taken place as at 28 February 2025: (a) the amount due to the Company of approximately HK$105.5 million by Innovax Credit and Innovax Management as at 28 February 2025 being waived by the Company; (b) disposal of certain investments held by Innovax Management, the market value as at 28 February 2025 of which was approximately HK$18.7 million; and (c) repayment of the amount due to the Company by cash and cash equivalent of approximately HK$10.0 million held by Innovax Management.

Shareholders should note that the actual gain or loss on the Disposal will be calculated based on the actual direct expenses incurred, the net asset values of the loan receivables held by Innovax Credit and the value of listed and unlisted securities held by Innovax Management as at the Disposal Completion Date. Therefore, the actual gain or loss on the Disposal may be different from the amount disclosed above. The Company intends to use the proceeds from the Disposal for its general working capital.

5. REASONS FOR AND BENEFIT OF THE DISPOSAL AGREEMENT

The main reason for the Disposal is that, during the negotiations between the parties to the Sale and Purchase Agreement, the Offeror had expressed its intention to dispose of the assets held by Innovax Credit and Innovax Management while the Vendor (through MSL) had expressed his intention to retain these assets. Having considered the above, the Board considers that the Disposal will facilitate the Completion.

The Disposal Agreement was negotiated between the CPL and MSL on an arm's length basis and based on normal commercial terms. The initial Disposal Consideration of HK$58.2 million was determined with reference to (i) the loan receivables held by Innovax Credit as at the date of the Disposal Agreement; and (ii) investments held by Innovax Management as at the date of Disposal Agreement comprising (a) the value of Taizhou Water with reference to the average of the closing prices per share as quoted on the Stock Exchange for the last five consecutive trading days prior to and excluding the date of the Disposal Agreement and the value of DreamEast Group and Clarity Medical with reference to their respective closing price per share as quoted on the Stock Exchange as of the last trading day of the shares before the date of the Disposal Agreement; and (b) the fair value of Element Investment held by Innovax Management as recorded on the Group's audited consolidated financial statements as at 28 February 2025. The Disposal Consideration will be adjusted based on the Disposal Adjusted Value.

After the Disposal Completion, the Group will no longer be engaged in money lending business. The Group will continue to more fully focus on its provision of financial and securities services. The Group intends to enhance its development of the following services:

(i) Corporate finance advisory services: 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 advisory services so as to broaden its project reserves. With the continuous improvement in the market sentiment and regulatory enhancements, the Group expects that its corporate finance advisory business, especially the IPO sponsorship services, will continue to improve and record a higher growth in revenue and project pipeline.

(ii) Placing and underwriting services: the Group will leverage its expertise and extensive industry network to secure more placing and underwriting projects and will continue to further expand its product and service coverage. The anticipated growth in the Group's IPO sponsorship business, coupled with sustained improvements in IPO market sentiment and stock market liquidity in Hong Kong, is expected to fuel the Group's placing and underwriting business in both IPO and secondary fundraising.

(iii) Securities dealing and brokerage services: the Group is continuously expanding its service range to include discretionary account management services, wealth management services and trading and brokerage services for securities listed in the US or other overseas stock markets. The Group will allocate more resources to expand its client base and is confident that its securities dealing and brokerage business will continue to grow.

(iv) Securities financing services: the Group has been cautiously expanding its margin loan portfolio since the second quarter of 2025 and will continue to develop this business.

(v) Asset management services: the Group aims to provide more comprehensive investment solutions by establishing additional investment funds, including hedge funds and private equity funds and venture capital funds. It has also expanded its discretionary management services to cater to evolving client needs, resulting in a continuous increase in the number of discretionary securities accounts and the total value of assets under management.

6. INDEPENDENT BOARD COMMITTEE OF THE COMPANY AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee comprising Dr. Wu Kwun Hing, Mr. Kwong Hon Nan, Eric and Ms. Chan Ka Lai, Vanessa, being all the independent non-executive Directors, has been established by the Board to advise the Independent Shareholders as to whether the Special Deal are fair and reasonable and as to the voting action at the EGM.

Merdeka has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Disposal Agreement and, in particular, as to whether the Disposal Agreement are fair and reasonable. The Independent Board Committee has approved the appointment of Merdeka as the Independent Financial Adviser pursuant to Rule 2.1 of the Takeovers Code.

7. LISTING RULES AND TAKEOVERS CODE IMPLICATIONS

The Disposal Agreement and the transactions contemplated thereunder constitute a Special Deal. The Disposal Agreement and the transactions contemplated thereunder are therefore subject to the approval of the Independent Shareholders in general meeting and require the consent of the Executive. An application has been made to the Executive for consent under Rule 25 of the Takeovers Code in relation to the Disposal Agreement and the transactions contemplated thereunder.

Such consent, if granted, will be subject to (i) the Independent Financial Adviser publicly stating that in its opinion the Disposal Agreement and the transactions contemplated thereunder are fair and reasonable; and (ii) the approval of the Disposal Agreement and the transactions contemplated thereunder by the Independent Shareholders by way of a poll at the general meeting of the Company. The Offeror and parties acting in concert with him and shareholders including the Vendor and parties acting in concert with him, those Shareholders who are involved in and/or

interested in the Disposal, their respective associates and parties acting in concert with any of them, will be required to abstain from voting on the resolution in respect of the Disposal Agreement at the EGM.

In addition, as one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal is more than 5% but less than 25%, the entering into of the Disposal Agreement and the transactions contemplated thereunder constitute a discloseable transaction on the part of the Company.

CPL is a wholly-owned subsidiary of the Company. MSL is wholly-owned by Mr. Chung. Mr. Chung (through Billion Shine) is a controlling Shareholder holding 45,000,000 Shares, representing 75% of the entire issued share capital of the Company. As such, Mr. Chung is a connected person of the Company as defined under the Listing Rules and hence, the Disposal Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. The Disposal Agreement and the transactions contemplated thereunder is subject to reporting, announcement and Independent Shareholders' approval requirements.

8. EGM

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Disposal Agreement and the transactions contemplated thereunder. The Offeror and parties acting in concert with him and shareholders including the Vendor and parties acting in concert with him, those Shareholders who are involved in and/or interested in the Disposal, their respective associates and parties acting in concert with any of them, will be required to abstain from voting on the resolution in respect of the Disposal Agreement at the EGM.

As disclosed in the Takeovers Bulletin Issue No.60 March 2022, the Executive expects all meetings with Codes-related resolutions requiring approval of disinterested or independent shareholders to be chaired by a person who is disinterested and independent (as defined under the relevant provisions of the Codes). Given that Mr. Chung has interest in the Special Deal, he will not act as the chairman of the EGM. Mr. Poon Siu Kuen, Calvin, the executive Director, who is a disinterested Director will act as the chairman of the EGM.

A notice convening the EGM to be held at Unit A to C, 20/F, Neich Tower, 128 Gloucester Road, Wanchai, Hong Kong on Friday, 5 December 2025 at 2:00 p.m. for the purpose of considering and, if thought fit, passing the resolution as set out therein, is set out on pages EGM-1 to EGM-3 of this circular.

A form of proxy for use at the EGM is also enclosed with this circular. Whether or not you are able to attend EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event no less than 48 hours before the time appointed for the holding of the EGM (i.e. before 2:00 p.m. on Wednesday, 3 December 2025) or any adjournment

thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish and, in such event, the form of proxy shall be deemed to be revoked.

For the purpose of determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 2 December 2025 to Friday, 5 December 2025, both dates inclusive, during which period no transfer of Shares will be registered. The record date for determination of entitlements of the members of the Company to attend and vote at the EGM will be on Friday, 5 December 2025. In order to be eligible to attend and vote at the EGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Monday, 1 December 2025.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, voting on the resolution as set out in the notice of EGM at the EGM will be taken by way of poll.

After the conclusion of the EGM, the poll results will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.innovax.hk).

9. RECOMMENDATION

The Board (including the Independent Board Committee after taking into account the advice from the Independent Financial Adviser) considers that the Disposal Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Independent Shareholders. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Disposal Agreement and the transactions contemplated thereunder.

10. ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee, the letter from the Independent Financial Adviser, and the additional information contained in the appendices to this circular.

Yours faithfully,
By order of the Board
Innovax Holdings Limited
Chau Lok Yi
Company Secretary

The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Disposal Agreement and the Disposal:

INNOVAX HOLDINGS LIMITED
創陞控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2680)

17 November 2025

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED AND DISCLOSEABLE TRANSACTION INVOLVING DISPOSAL OF INNOVAX CREDIT AND INNOVAX MANAGEMENT AND SPECIAL DEAL; AND NOTICE OF EXTRAORDINARY GENERAL MEETING

We refer to the circular of the Company dated 17 November 2025 (the "**Circular**") of which this letter forms part. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in this Circular.

We have been appointed as members of the Independent Board Committee to consider the Disposal Agreement, the Disposal contemplated thereunder, to advise you as to whether the Disposal Agreement is fair and reasonable so far as the Independent Shareholders are concerned, whether the Disposal is in the interests of the Independent Shareholders as a whole, and to recommend whether or not you should approve the Disposal Agreement and the Disposal contemplated thereunder. Merdeka has been appointed as the independent financial adviser to advise us and you in this regard.

We wish to draw your attention to the letter from the Board set out on pages 5 to 16 of the Circular and the letter from Merdeka set out on pages 19 to 39 of the Circular which contains its advice to us and the Independent Shareholders in respect of the Agreement and the Disposal contemplated thereunder; and the additional information set out in the appendices to the Circular.

Having taken into account the reasons for and benefits of the Disposal and the advice of the Independent Financial Adviser, we consider that although the Disposal Agreement and the transactions contemplated thereunder are not in the ordinary and usual course of business of the Company, they are fair and reasonable, on normal commercial terms, and in the interests of the Independent Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to approve the Disposal Agreement and the Disposal contemplated thereunder, particulars of which are set out in the notice of the EGM set out on pages EGM-1 to EGM-3 of this Circular.

Yours faithfully,
For and on behalf of the Independent Board Committee,

Dr. Wu Kwun Hing **Mr. Kwong Hon Nan, Eric** **Ms. Chan Ka Lai, Vanessa**
Independent non-executive Directors

The following is the full text of a letter of advice from the Independent Financial Adviser setting out the advice to the Independent Board Committee, prepared for the purpose of inclusion in this Circular.

MERDEKA 領智

Room 1108-1110, 11/F.
Wing On Centre
111 Connaught Road Central
Hong Kong

17 November 2025

To: The Independent Board Committee and
the Independent Shareholders of
Innovax Holdings Limited

Dear Sirs or Madams,

CONNECTED AND DISCLOSEABLE TRANSACTION INVOLVING DISPOSAL OF INNOVAX CREDIT AND INNOVAX MANAGEMENT AND SPECIAL DEAL

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal, details of which are set out in the "Letter from the Board" (the "**Board Letter**") contained in the circular of the Company dated 17 November 2025 (the "**Circular**"). Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On 25 September 2025 (after trading hours), the Vendor (as vendor) and the Offeror (as purchaser) entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Offeror has conditionally agreed to purchase, 110 Sale Shares, representing the entire issued share capital of Billion Shine as at the date of the Sale and Purchase Agreement. Immediately upon Completion, the Offeror (through Billion Shine) and parties acting in concert with him will own an aggregate of 45,000,000 Shares, representing 75% of the entire issued share capital of the Company as at the Latest Practicable Date.

On the same day, CPL, a wholly-owned subsidiary of the Company, and MSL, which is wholly-owned by the Vendor, entered into the Disposal Agreement, pursuant to which MSL has conditionally agreed to acquire and CPL has conditionally agreed to sell, or procure the sale of, the entire issued share capital of Innovax Credit and Innovax Management for a total consideration of HK$58.2 million (subject to adjustment).

LISTING RULES AND TAKEOVERS CODE IMPLICATIONS

The Disposal Agreement and the transactions contemplated thereunder constitute a Special Deal. The Disposal Agreement and the transactions contemplated thereunder are therefore subject to the approval of the Independent Shareholders in general meeting and require the consent of the Executive. An application has been made to the Executive for consent under Rule 25 of the Takeovers Code in relation to the Disposal Agreement and the transactions contemplated thereunder.

Such consent, if granted, will be subject to (i) the Independent Financial Adviser publicly stating that in its opinion the Disposal Agreement and the transactions contemplated thereunder are fair and reasonable; and (ii) the approval of the Disposal Agreement and the transactions contemplated thereunder by the Independent Shareholders by way of a poll at the general meeting of the Company. The Offeror and parties acting in concert with him and shareholders including the Vendor and parties acting in concert with him, those Shareholders who are involved in and/or interested in the Disposal, their respective associates and parties acting in concert with any of them, will be required to abstain from voting on the resolution in respect of the Disposal Agreement at the EGM.

In addition, as one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal is more than 5% but less than 25%, the entering into of the Disposal Agreement and the transaction contemplated thereunder constitute a discloseable transaction on the part of the Company.

CPL is a wholly-owned subsidiary of the Company. MSL is wholly-owned by Mr. Chung. Mr. Chung (through Billion Shine) is a controlling Shareholder holding 45,000,000 Shares, representing 75% of the entire issued share capital of the Company. As such, Mr. Chung is a connected person of the Company as defined under the Listing Rules and hence, the Disposal Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. The Disposal Agreement and the transaction contemplated thereunder is subject to reporting, announcement) and Independent Shareholders' approval requirements.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely Dr. Wu Kwun Hing, Mr. Kwong Hon Nan, Eric and Ms. Chan Ka Lai, Vanessa, has been established in accordance with Rule 2.1 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders as to whether the terms of the Disposal Agreement, the Special Deal and the transactions contemplated thereunder are fair and reasonable and as to the voting action at the EGM. We, Merdeka, have been appointed as the Independent Financial Adviser by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee as to whether the terms of the Special Deal are fair and reasonable so far as the Independent Shareholders are concerned.

OUR INDEPENDENCE

We are independent of and not connected with the Vendor, the Offeror, CPL, MSL, and any of their respective substantial shareholders, or any party acting, or presumed to be acting, in concert with any of them. During the past two years immediately preceding and up to the date of our appointment as the Independent Financial Adviser, save for this appointment as the Independent Financial Adviser in respect of the Special Deal, there were no other engagements between Merdeka and the Group. Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser to advise the Independent Board Committee, no arrangement exists whereby we shall receive any other fees or benefits from the Company or any of their respective substantial shareholders or any person acting, or deemed to be acting, in concert with any of them. Accordingly, we are considered eligible to give independent advice on the Disposal Agreement and the Disposal contemplated thereunder, pursuant to Rule 13.84 of the Listing Rules and Rule 2.6 of the Takeovers Code.

BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, amongst others, (i) the Disposal Agreement; (ii) the annual report of the Company for the year ended 28 February 2025 (the "**2024/25 Annual Report**"); (iii) the interim results announcement of the Company for the six months ended 31 August 2025 (the "**2025 Interim Results Announcement**"); (iv) the audited financial statements of Innovax Credit for the year ended 28 February 2025; (v) the audited financial statements of Innovax Management for the year ended 28 February 2025; and (vi) other relevant information as set out in the Circular.

We have also relied on the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us by the Company, the Directors and the management of the Company (the "**Management**"). We have assumed that all the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us were true, accurate and complete at the time they were made and will continue to be so up to the Latest Practicable Date. The Company will notify the Shareholders of any material changes to information contained or referred to in the Circular as soon as practicable in accordance with Rule 9.1 of the Takeovers Code up to the date of the EGM. Shareholders will also be informed as soon as practicable when there are any material changes to the information contained or referred to herein as well as changes to our opinion, if any, after the Latest Practicable Date.

We have no reason to believe that any statements, information, opinions or representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the statements, information, opinions or representations provided to us untrue, inaccurate or misleading.

We have assumed that all the statements, information, opinions and representations for matters relating to the Group contained or referred to in the Circular, and information relating to the Group provided to us by the Company and the Management have been reasonably made after due and careful enquiry. We have relied on such statements, information, opinions and representations and consider that we have been provided with, and have reviewed, sufficient information to reach an informed view and provide a reasonable basis for our opinion. We have not, however, conducted an independent investigation into the business, financial conditions and affairs or future prospects of the Group positions, and if in any doubt, should consult their own professional adviser.

This letter is issued for the information of the Independent Board Committee solely in connection with their consideration of the Disposal, and except for its inclusion in this Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Disposal Agreement and the transactions contemplated thereunder, we have considered the principal factors and reasons as set out below:

1. Background information on the Group

1.1 Principal business

The Company is incorporated in the Cayman Islands with limited liability and its issued shares have been listed on the Stock Exchange since 14 September 2018. 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 Group is an integrated financial and securities services provider licensed to conduct Type 1 (dealing in securities), 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).

1.2 Historical financial information

Set out below is a summary of (i) the audited consolidated financial statements of the Group for the years ended 29 February 2024 ("**FY23/2024**") and 2025 ("**FY24/2025**") as extracted from the 2024/25 Annual Report and (ii) the unaudited consolidated financial statements of the Group for the six months ended 31 August 2024 ("**HY2024**") and 2025 ("**HY2025**") as extracted from the 2025 Interim Results Announcement.

	For the six months ended		For the year ended	
	31 August 2025	**31 August 2024**	**28 February 2025**	**29 February 2024**
	HK$'000 (Unaudited)	*HK$'000* (Unaudited)	*HK$'000* (audited)	*HK$'000* (audited)
Revenue				
– Corporate finance advisory services	4,815	4,347	8,495	11,734
– Placing and underwriting services	1,441	85,701	151,467	10,913
– Securities dealing and brokerage services	2,581	1,270	2,866	3,002
– Asset management services	1,202	205	492	427
– Interest income from securities financing services	896	1,409	2,611	5,525
– Interest income from money lending services	1,058	772	1,746	1,126
Total revenue	11,993	93,704	167,677	32,727
Other income	1,910	2,445	5,408	4,638
Other (losses) and gains	24,092	(18,301)	(26,088)	22,424
Total income	37,995	77,848	146,997	59,789
(Loss)/profit before tax	18,279	(22,889)	(35,287)	1,775
(Loss)/profit and total comprehensive income/(expense) for the period/year	18,279	(22,889)	(35,287)	1,775

For the six months ended 31 August 2024 and 2025

During HY2025, the Group's total revenue was approximately HK$12.0 million, representing a decrease of approximately 87.2%, as compared to HY2024. Notwithstanding that the revenue derived from the Group's corporate finance advisory business, securities dealing and brokerage business, asset management business and money lending business increased by approximately 10.8%, 103.2%, 485.4% and 37.0% respectively, as compared to HY2024, the decrease in the Group's total revenue was mainly attributable to (i) that due to investors becoming more selective and demanding higher yields and stronger credit profiles to compensate for rising risks, the Group did not participate in the underwriting for issue of bonds during HY2025, resulting in the significant decrease in the income generated from the placing and underwriting business, and (ii) the decrease in the interest income generated from the securities financing business given the Group's continuous prudent approach and strategy to reduce its risk exposure under the highly volatile market conditions during HY2025.

During HY2025, the Group recorded a profit and total comprehensive income of approximately HK$18.3 million, as compared with a loss and total comprehensive expense of approximately HK$22.9 million for HY2024. The change from loss to profit was mainly attributable to the total net realised gain and unrealised gain on financial assets at fair value through profit or loss of approximately HK$24.1 million for HY2025, as compared with the total net realised loss and unrealised loss on financial assets at fair value through profit or loss of approximately HK$18.3 million for HY2024.

For the years ended 29 February 2024 and 28 February 2025

During FY24/2025, the Group's total revenue was approximately HK$167.7 million, representing an increase of approximately 412.4%, as compared to FY23/2024. 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 FY23/2024, 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 FY23/2024. As referred to the above, we noted that the substantial increase in the revenue for FY24/2025 is mainly attributable to the substantial increase in revenue generated from placing and underwriting business to include debt capital markets. As advised by the Management, such increased participation in debt capital markets also resulted in a substantial increase in related operating expenses (i.e. sub-underwriting expenses arising from the Group's participation in bond underwriting during FY24/2025).

During FY24/2025, 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 FY23/2024. 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 FY24/2025, 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 FY23/2024.

Financial position as at 29 February 2024 and 28 February 2025 and 31 August 2025

	As at 31 August 2025	As at 28 February 2025	As at 29 February 2024
	HK$'000	*HK$'000*	*HK$'000*
	Unaudited	*Audited*	*Audited*
Total non-current assets	2,474	2,544	1,509
Total current assets	354,079	350,483	282,091
Total assets	**356,553**	**353,027**	**283,600**
Current liabilities	151,146	165,905	73,111
Non-current liabilities	255	249	–
Total liabilities	**151,401**	**166,154**	**73,111**
Net assets	**205,152**	**186,873**	**210,489**

Total assets of the Group increased slightly by 1.0% from approximately HK$353.0 million as at 28 February 2025 to approximately HK$356.6 million as at 31 August 2025. The total liabilities of the Group amounted to approximately HK$151.4 million as at 31 August 2025, representing a decrease of approximately 8.9% as compared to approximately HK$166.2 million as at 28 February 2025. The net assets of the Group amounted to approximately HK$205.2 million, representing an increase of approximately 9.8% as compared to approximately HK$186.8 million.

The total assets of the Group increased by 24.5% from approximately HK$283.6 million as at 29 February 2024 to approximately HK$353.0 million as at 28 February 2025. As advised by the Management, the increase in the total assets is mainly attributable to the increase in the cash and bank balances – held on behalf of customers. The total liabilities of the Group amounted to approximately HK$166.2 million as at 28 February 2025, representing an increase of approximately 127.3% as compared to approximately HK$73.1 million as at 29 February 2024. As advised by the Management, the increase in total liabilities is mainly due to the increase in amount payable by the Group to its clearing house and securities trading clients, representing clients' monies placed in their respective accounts maintained with the Group for the Group's securities dealing and brokerage services. The net assets of the Group decreased to approximately HK$186.9 million as at 28 February 2025, as compared to approximately HK$210.5 million as at 29 February 2024.

2. Background information on Innovax Credit and Innovax Management

Innovax Credit was incorporated in Hong Kong with limited liability in 2019 and is a direct wholly-owned subsidiary of the Company as at the Latest Practicable Date. Innovax Credit is principally engaged in money lending business under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). The asset of Innovax Credit, on Disposal Completion, will consist of loan receivables. Details and our analysis of the loan receivables are set out in "4.1 Basis of the Disposal Consideration" below in this letter.

Innovax Management was incorporated in the British Virgins Islands with limited liability in 2018 and is an investment holding company. The assets of Innovax Management, on Disposal Completion, will consist of: (a) 11,700,000 H shares of Taizhou Water Group Co., Ltd.(台州市水務集團股份有限公司)(Stock Code: 1542, "**Taizhou Water**"), representing approximately 23.4% and 5.9% of the total number of issued H shares and of all shares of Taizhou Water, respectively; (b) 12,902,058 shares of DreamEast Group Ltd (Stock Code: 593, "**DreamEast Group**"), representing approximately 2.4% of the total number of issued shares of DreamEast Group; (c) 550,000 shares of Clarity Medical Group Holding Ltd (Stock Code: 1406, "**Clarity Medical**"), representing approximately 0.1% of the total number of issued shares of Clarity Medical; and (d) 9.09% equity interests in Element Investment (Hong Kong) Limited(元素投資(香港)有限公司)("**Element Investment**"). Please refer to the section headed "4. Principal terms of the Disposal Agreement" below this letter for the details of the Innovax Management's investments.

Set out below is a summary of the key financial data of Innovax Credit based on its audited financial statements for the financial years ended 29 February 2024 and 28 February 2025 are as follows:

	For the year ended	
	28 February 2025	**29 February 2024**
	HK$('000) (audited)	*HK$('000)* (audited)
Revenue	1,746	1,126
Net (loss) before tax	(600)	(735)
Net (loss) after tax	(600)	(735)
Loss and total comprehensive expenses for the year	(600)	(734)

As at 28 February 2025, the audited net liabilities of Innovax Credit were approximately HK$1.7 million.

Set out below is a summary of the key financial data of Innovax Management based on its audited financial statements for the financial years ended 29 February 2024 and 28 February 2025 are as follows:

	For the year ended	
	28 February 2025	**29 February 2024**
	HK$('000) (audited)	*HK$('000)* (audited)
Revenue	–	–
Net (loss)/profit before tax	(25,984)	7,612
Net (loss)/profit after tax	(25,984)	7,612
(Loss)/profit and total comprehensive (expenses)/income for the year	(25,984)	7,612

As at 28 February 2025, the audited net liabilities of Innovax Management were approximately HK$20.7 million.

3. Reasons for and benefit of the Disposal Agreement

As referred to the paragraph headed "Reasons for and benefits of the Disposal Agreement" of the Board Letter, we understood that the Disposal is a result of the differing intentions of the parties during the negotiation of the Sale and Purchase Agreement, which under which the Offeror expressed its intention to divest the assets held by Innovax Credit and Innovax Management, while the Vendor (through MSL) indicated its intention to retain such assets.

The Disposal Agreement was entered into between CPL and MSL after arm's length negotiations and on normal commercial terms. The initial Disposal Consideration of HK$58.2 million (subject to the Adjustment (defined as below)) was determined with reference to (i) the loan receivables of Innovax Credit as at the date of the Disposal Agreement (i.e. 25 September 2025); and (ii) the investments in held by Innovax Management as at the date of the Disposal Agreement, comprising (a) the value of Taizhou Water with reference to the average of the closing prices per share quoted on the Stock Exchange for the last five consecutive trading days prior to and excluding the date of the Disposal Agreement; and the value of DreamEast Group and Clarity Medical with reference to their respective closing price per share quoted as of their respective last trading day before the date of the Disposal Agreement; and (b) the fair value of Element Investment held by Innovax Management as recorded on the Group's audited consolidated financial statement as at 28 February 2025. The Disposal Consideration will be adjusted based on the Disposal Adjusted Value. Please refer to our analysis on the basis of the Disposal Consideration as set out in the sub-section headed 4.1 Basis of the Disposal Consideration below in this letter.

After the Disposal Completion, the Group will cease to engage in the money lending business and hold the securities held by Innovax Management. The Group will continue to more fully focus on its provision of financial and securities services. The Group intends to enhance its development of the following services:

(i) Corporate finance advisory services: 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 advisory services so as to broaden its project reserves. With the continuous improvement in the market sentiment and regulatory enhancements, the Group expects that its corporate finance advisory business, especially the IPO sponsorship services, will continue to improve and record a higher growth in revenue and project pipeline.

(ii) Placing and underwriting services: the Group will leverage its expertise and extensive industry network to secure more placing and underwriting projects and will continue to further expand its product and service coverage. The anticipated growth in the Group's IPO sponsorship business, coupled with sustained improvements in IPO market sentiment and stock market liquidity in Hong Kong, is expected to fuel the Group's placing and underwriting business in both IPO and secondary fundraising.

(iii) Securities dealing and brokerage services: the Group is continuously expanding its service range to include discretionary account management services, wealth management services and trading and brokerage services for securities listed in the US or other overseas stock markets. The Group will allocate more resources to expand its client base and is confident that its securities dealing and brokerage business will continue to grow.

(iv) Securities financing services: the Group has been cautiously expanding its margin loan portfolio since the second quarter of 2025 and will continue to develop this business.

(v) Asset management services: the Group aims to provide more comprehensive investment solutions by establishing additional investment funds, including hedge funds and private equity funds and venture capital funds. It has also expanded its discretionary management services to cater to evolving client needs, resulting in a continuous increase in the number of discretionary securities accounts and the total value of assets under management.

Having considered the above, we are of the view that the Disposal, though not in the ordinary and usual course of business of the Company, is in the interests of the Company and the Shareholders as a whole.

4. Principal terms of the Disposal Agreement

The principal terms of the Disposal Agreement are summarised as follows.

Date:	25 September 2025
Parties:	i) CPL, which is a wholly-owned subsidiary of the Company, as vendor; and ii) MSL, which is wholly-owned by Mr. Chung, as purchaser.
Subject matter of the Disposal:	MSL has conditionally agreed to acquire and CPL has conditionally agreed to sell, or procure the sale of, the entire issued share capital of Innovax Credit and Innovax Management for a total consideration of HK$58.2 million (subject to adjustment).
Payment:	The Disposal Consideration is payable by MSL to CPL (or its nominees) at the Disposal Completion.
Disposal Consideration:	The Disposal Consideration was initially HK$58.2 million, which represents the sum of: (a) In respect of Innovax Credit: (i) approximately HK$33.3 million, being the amount of loan receivables held by Innovax Credit as of the date of the Disposal Agreement; and (b) In respect of Innovax Management: (i) approximately HK$16.8 million, being the value of 11,700,000 H shares of Taizhou Water held by Innovax Management as of the date of the Disposal Agreement, based on the average closing prices per share as quoted on the Stock Exchange for the last five consecutive trading days prior to and excluding the date of the Disposal Agreement;

(ii) approximately HK$2.5 million, being the value of 12,902,058 shares of DreamEast Group held by Innovax Management as of the date of the Disposal Agreement, based on the closing price per share of DreamEast Group as quoted on the Stock Exchange as of the last trading day of the shares of DreamEast Group before the date of the Disposal Agreement;

(iii) approximately HK$0.2 million, being the value of 550,000 shares of Clarity Medical held by Innovax Management as of the date of the Disposal Agreement based on the closing price per share of Clarity Medical as quoted on the Stock Exchange as of the last trading day of the shares of Clarity Medical before the date of the Disposal Agreement; and

(iv) approximately HK$5.4 million, being the fair value of Innovax Management's 9.09% investment in Element Investment as recorded in the Group's audited consolidated financial statements as of 28 February 2025.

Since the shares of DreamEast Group and Clarity Medical had been under a prolonged suspension as of the Disposal Agreement date, and in the absence of more recent market data, the Company considers their last closing price to be the most recent publicly available market-based value.

The adjustment mechanism on the Disposal Consideration (the "**Adjustment**"):

The Disposal Consideration shall be adjusted on the following basis:

(a) if the Disposal Adjusted Value is less than the Disposal Consideration, the difference between the Disposal Consideration and the Disposal Adjusted Value shall be paid in cash by CPL to MSL (or its nominees) within seven (7) Business Days of Disposal Completion; and

(b) if the Disposal Adjusted Value is higher than the Disposal Consideration, the difference between the Disposal Consideration and the Disposal Adjusted Value shall be paid in cash by MSL to CPL (or its nominees) within seven (7) Business Days of Disposal Completion.

The disposal adjusted value (the "**Disposal Adjusted Value**") represents the sum of:

(a) In respect of Innovax Credit:

(i) the amount of loan receivables held by Innovax Credit as at the Disposal Completion Date, as recorded in the management accounts of Innovax Credit as at the Disposal Completion Date; and

(b) In respect of Innovax Management:

(ii) the number of shares of Taizhou Water held by Innovax Management as of the Disposal Completion Date, multiplied by the average of the closing prices per share of Taizhou Water as quoted on the Stock Exchange for the last five consecutive trading days prior to and excluding the Disposal Completion Date;

(iii) the number of shares of DreamEast Group held by Innovax Management as of the Disposal Completion Date, multiplied by the average of the closing prices per share of DreamEast Group as quoted on the Stock Exchange for the last five consecutive trading days prior to and excluding the Completion Date. If the shares of DreamEast Group are suspended from trading on the Stock Exchange on the Disposal Completion Date, no adjustment is required;

(iv) the number of shares of Clarity Medical held by Innovax Management as of the Disposal Completion Date, multiplied by the average of the closing prices per share of Clarity Medical as quoted on the Stock Exchange for the last five consecutive trading days prior to and excluding the Disposal Completion Date. If the shares of Clarity Medical are suspended from trading on the Stock Exchange on the Disposal Completion Date, no adjustment is required; and

(v) the fair value of the investment of Innovax Management in Element Investment as of 31 August 2025, as recorded in the Group's unaudited consolidated financial statement as of 31 August 2025.

Disposal Completion:	Upon fulfilment (or, as appropriate, waiver) of all the Disposal Conditions Precedent as set out in the Board Letter, the Disposal Completion shall take place on the day of the Disposal Completion Date. Upon Disposal Completion, the Company will no longer have any interest in Innovax Credit and Innovax Management. Innovax Credit and Innovax Management will cease to be accounted as subsidiaries of the Group.

Please refer to the section headed "2. THE DISPOSAL AGREEMENT" in the Board Letter for more information.

4.1 Basis of the Disposal Consideration

As referred to the Board Letter, we understand that the Disposal Consideration of HK$58.2 million (subject to the Adjustment) was determined with reference to (i) approximately HK$33.3 million being the loan receivables of Innovax Credit as at 25 September 2025; and (ii) approximately HK$24.9 million being the fair value of the investments held by Innovax Management, comprising (a) approximately HK$16.8 million for 11,700,000 H shares of Taizhou Water; (b) approximately HK$2.5 million for 12,902,058 shares of DreamEast Group; (c) approximately HK$0.2 million for 550,000 shares of Clarity Medical; and (d) approximately HK$5.4 million for its 9.09% equity investment in Element Investment as at 28 February 2025.

The fair value of the listed equities held by Innovax Management valued by reference to their respective market prices quoted on the Stock Exchange as at the last trading day or the average closing price for the last five consecutive trading days before the date of the Disposal Agreement, while the fair value of its unlisted investment was determined with reference to the fair value as recorded in the Group's audited consolidated financial statements as at 28 February 2025.

To assess the fairness and reasonableness of the Disposal Consideration, we have obtained from the Management and reviewed the audited financial statements of each of Innovax Credit and Innovax Management as at 28 February 2025 and their respective management accounts as at 31 August 2025. In terms of assets, we noted that the principal assets of Innovax Credit were loan receivables due from the borrowers, and the principal assets of Innovax Management were its investment in listed equities and the unlisted assets (i.e. Element Investment).

Innovax Credit

To assess the value of the loan receivables of Innovax Credit, we obtained and reviewed its summary list of loan receivables as at 25 September 2025 (the "**Loan List**") and noted that Innovax Credit had a total of 18 outstanding loans with an aggregate outstanding principal amount of approximately HK$33,345,000, which were granted to 13 borrowers comprising 2 borrowers who are connected persons borrowers and 11 borrowers who are independent third parties borrowers. Out of the 18 loans, 14 were term loans and 4 were installment loans, with 3 were granted to the two connected persons and the remaining 15 to the 11 independent third parties.

Based on our discussion with the Management and our review of the Loan List, we noted that, as at the Latest Practicable Date, a repayment of approximately HK$27,000 was overdue for 14 days. The loans have tenures ranging from one to two years, with approximately 22.2%, 66.6% and 11.1% of the loans expected to mature on or before the end of 2025, 2026 and 2027, respectively, and carry interest rates between 3.0% and 10.0%, with 2 loans secured by personal guarantees and property pledges. As confirmed by the Management, save for the late repayment as above-mentioned, none of the loans were in default as at the Latest Practicable Date and the Management also confirmed that, based on the historical repayment record of the borrowers, no significant write-off or write-down of the loans prior to Disposal Completion is expected.

Innovax Management

To assess the value of Innovax Management, we were advised that its principal assets comprised 3 listed equity investments and 1 unlisted investment. The listed equity investments held by Innovax Management consist of (a) 11,700,000 H shares in Taizhou Water; (b) 12,902,058 shares in DreamEast Group; and (c) 550,000 shares in Clarity Medical. Based on our desktop research, we noted that Taizhou Water is currently trading on the Stock Exchange, whereas both DreamEast Group and Clarity Medical have been under prolonged trading suspension. As advised by the Management, the Company determined the fair value of these listed equity investments for the purpose of the Disposal Consideration by referencing the respective last closing prices of DreamEast Group and Clarity Medical as at their last trading day prior to their suspension, and the average 5-day closing price of Taizhou Water immediately preceding the date of the Disposal Agreement.

According to the announcements of DreamEast Group dated 4 March 2024, 11 March 2024, 23 September 2024 and its circular dated 22 August 2025, DreamEast Group has been suspended since 11 March 2024 as (a) a petition was filed against DreamEast Group due to its non-payment of the amount demanded pursuant to a statutory demand issued on 1 November 2023; and (b) on 11 March 2024, DreamEast Group was ordered to be wound up by the High Court with an official receiver and liquidators were appointed accordingly. Meanwhile, as referred to the announcements of Clarity Medical dated 30 May 2025 and 30 June 2025, Clarity Medical has been suspended since 15 April 2025 as the Stock Exchange received various allegations concerning (a) potential material misstatements in the IPO prospectus relating to the track record period, including arrangements involving remuneration, loans and dividend distributions; and (b) allegations of corporate misconduct including unauthorised establishment of a subsidiary, channelling of the Group's funds, undisclosed relationships, failure to discharge fiduciary duties, unauthorised arrangements and deficiencies in corporate governance and internal control.

Given the prolonged suspension status of DreamEast Group and Clarity Medical and the absence of any more recent market quotations or independent valuations, the Company considers that the respective closing price as at their trading day represents the most recent publicly available market-based valuation determined in an open market prior to their suspension. To assess whether such approach is fair and reasonable, we referred to the announcements of DreamEast Group and Clarity Medical as mentioned below.

According to the interim results announcement of DreamEast Group dated 29 August 2025 for the six months ended 30 June 2025, DreamEast Group recorded total unaudited net liabilities of approximately HK$1.25 billion as at 30 June 2025. Based on the total issued shares of 545,796,038 as at 31 October 2025, the net liability per share amounted to approximately HK$1.83. We noted that the closing price used by the Company, being HK$0.19 per share as at DreamEast Group's last trading day before its suspension on 11 March 2024, in comparison to the net liability per DreamEast Group share of approximately HK$0.19 as at 30 June 2025. We also noted that its average closing price for 5 consecutive trading days before the suspension date on 11 March 2024 is approximately HK$0.202. Further, as disclosed in DreamEast Group's announcement dated 8 October 2025, the Listing Committee considered that DreamEast Group had not fulfilled all resumption guidance and thereby rejected DreamEast Group's application for an extension of the remedial period. Although DreamEast Group has applied for a review of the decision by the Listing Review Committee, there remains substantial uncertainty as to whether such decision will be overturned and whether trading will resume in the near term. In this regard, after considering (a) the prolonged suspension status of DreamEast Group shares and the uncertainty relating to the resumption of the shares; (b) the net liabilities position as referred to the latest financial statement available to us; and (c) the Listing Committee's rejection of the Group's application for an extension of the remedial period, we are of the view that it is reasonable and justifiable for the Company to adopt such closing price in determining the fair value of Innovax Management's investment in DreamEast Group.

According to the latest results announcement of Clarity Medical dated 27 November 2024, the net asset value per share amounted to approximately HK$0.32 based on the unaudited net assets of approximately HK$174.0 million as at 30 September 2024 as mentioned in its interim report dated 19 December 2024 for the six months ended 30 September 2024 and the total issued shares of Clarity Medical of 536,334,496 as at 30 September 2025. The closing price of Clarity Medical as at its last trading day on 14 April 2025 of HK$0.355 per share, which was adopted by the Company to determine its fair value for the Disposal, represents a premium over its net asset value per share. We also noted that its average closing price for 5 consecutive trading days before the suspension date on 15 April 2025 is approximately HK$0.366. As the adopted price is above the net asset value per share of Clarity Medical, and given the uncertainty regarding the resumption of Clarity Medical's shares, we are of the view that it is reasonable and justifiable for the Company to adopt such closing price in determining the fair value of Innovax Management's investment in Clarity Medical.

Having considered the above, we concur with the Directors' view that the closing price as at the last trading day of DreamEast Group (12,902,058 shares at HK$0.190, i.e HK$2,451,391) and Clarity Medical (550,000 shares at HK$0.355 i.e HK$195,250) remains a reasonable reference for determining the fair value of DreamEast Group and Clarity Medical for the purpose of assessing the Disposal Consideration. Together with 11,700,000 shares in Taizhou Water at a five consecutive trading days average closing prices per share of HK$1.438, which is equivalent to a value of HK$16,824,600, the aggregate fair value of the listed equity investments as at 25 September 2025 amounted to approximately HK$19,471,000.

The unlisted investment of Innovax Management comprises its investment in the 5,000,000 shares of Element Investment. For the purpose of assessing the fair value of Element Investment, we first obtained the share subscription agreement of Element Investment and the relevant share certificate, which shows Innovax Management holding 5,000,000 Element Investment's shares. We also reviewed the audited financial statements of Innovax Management for the year ended 28 February 2025, prepared by an independent auditor, which indicated that the fair value of the Element Investment held by Innovax Management amounted to approximately HK$5,355,000 as at 28 February 2025. For our due diligence, we also obtained the latest management account of Innovax Management as at 31 August 2025 and understood that the fair value of the Element Investment amounted to approximately HK$5,355,000 as at 31 August 2025. As confirmed by the Management, there has been no material change to such fair value up to the Latest Practicable Date.

Based on the foregoing, we noted that the aggregate fair value of the loan receivables held by Innovax Credit and the investments held by Innovax Management amounted to approximately HK$58,171,000. Accordingly, the Disposal Consideration of HK$58.2 million is approximately equivalent to the aggregate fair value of assets held by Innovax Credit and Innovax Management as at 25 September 2025.

Having considered that (i) the principal assets of Innovax Credit comprised loan receivables; (ii) the principal assets of Innovax Management consisted of its investments in Taizhou Water, DreamEast Group, Clarity Medical, and Element Investment; (iii) the aggregate fair value of the assets held by Innovax Credit and Innovax Management amounted to approximately HK$58,171,000 as at 25 September 2025; and (iv) the Disposal Consideration is approximately equivalent to the aggregate fair value of such assets, we consider the Disposal Consideration to be fair and reasonable.

4.2 Adjustment on the Disposal Consideration

As referred to the Board Letter, we noted that the value of the Innovax Credit and Innovax Management as at the Disposal Completion Date will be adjusted with reference to (i) the loan receivables held by Innovax Credit as at the Disposal Completion Date; and (ii) the fair value of the listed and unlisted investments held by Innovax Management on Disposal Completion, based on the average closing prices quoted on the Stock Exchange for the last five consecutive trading days prior to and excluding the Disposal Completion Date (or the last trading day closing prices, as applicable), together with the fair value of its unlisted investment as at 31 August 2025 as recorded in the Group's unaudited consolidated financial statements as at 31 August 2025. And in the event that the shares of DreamEast Group and the shares of Clarity Medical are still suspended from trading on the Stock Exchange on the Disposal Completion Date, no adjustment is required.

The Disposal Consideration of HK$58.2 million is subject to an Adjustment mechanism whereby (i) if the Disposal Adjusted Value is less than the Disposal Consideration, the difference shall be paid in cash by CPL to MSL (or its nominees); and (ii) if the Disposal Adjusted Value is higher than the Disposal Consideration, the difference shall be paid in cash by MSL to CPL (or its nominees), in each case within seven (7) Business Days following Disposal Completion.

Having considered that (i) the Adjustment mechanism allows the final consideration to be aligned with the value of underlying assets held by Innovax Credit and Innovax Management as at Disposal Completion Date on a dollar-for-dollar basis; and (ii) the Adjustment mechanism ensures that the final consideration will fairly reflect the value of the underlying assets transferred at Disposal Completion Date. Accordingly, we are of the view that the Adjustment mechanism is fair and reasonable and in the interests of the Shareholders as a whole.

5. Financial effect of the Disposal

As described in the Board Letter, it is expected that upon the Disposal Completion, the Disposal will result in the estimated gain of approximately HK$3.8 million.

This estimation is derived from the difference between (i) the gross proceeds from the Disposal of approximately HK$58.2 million and (ii) the total of the audited net liabilities of Innovax Credit and Innovax Management of approximately HK$22.5 million as at 28 February 2025, which have been further adjusted to approximately HK$54.3 million, as if the following streamlining of the financial positions of Innovax Credit and Innovax Management, which were approved by the Board and completed prior to the Disposal Completion, had taken place as at 28 February 2025: (a) the amount due to the Company of approximately HK$105.5 million by Innovax Credit and Innovax Management as at 28 February 2025 being waived by the Company; (b) disposal of certain investments held by Innovax Management, the market value as at 28 February 2025 of which was approximately HK$18.7 million; and (c) repayment of the amount due to the Company by cash and cash equivalent of approximately HK$10.0 million held by Innovax Management.

RECOMMENDATION

Having considered that:

(i) the total revenue of the Group for FY24/2025 increased significantly by approximately 412.4% as compared to FY23/2024, primarily attributable to the Group's successful expansion of its placing and underwriting business to cover debt capital market transactions; which resulted in a substantial increase of approximately 1,288% in the revenue derived from placing and underwriting services during FY24/2025 as compared to the previous financial year. The proceeds from the Disposal are intended to be allocated to further develop this core financial and securities business segment, which is expected to enhance the Group's profitability;

(ii) the Disposal allows the Group to reallocate its resources and strategic focus towards further developing its core financial and securities services business, and the proceeds from the Disposal will be used for the Group's general working capital;

(iii) the Disposal Consideration is fair and reasonable as detailed in the section headed "4.1 Basis of the Disposal Consideration" in this letter; and

(iv) the Adjustment mechanism on the Disposal Consideration allows the final consideration to be aligned with the actual value of the assets as at the Disposal Completion Date;

we are of the view that, although the Disposal Agreement, the Special Deal and the transactions contemplated thereunder including the Disposal are not in the ordinary and usual course of business of the Company, they are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Independent Shareholders as a whole.

Accordingly, we recommend that the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the ordinary resolution to approve the Disposal Agreement, the Special Deal and the transactions contemplated thereunder at the EGM.

Yours faithfully,
For and on behalf of
Merdeka Corporate Finance Limited
Wallace So
Managing Director

Mr. Wallace So is a licensed person registered with the Securities and Futures Commission of Hong Kong, a responsible officer of Merdeka Corporate Finance Limited to carry out type 6 (advising on corporate finance) regulated activity under the SFO and a licensed representative of Merdeka Investment Management Limited to carry out type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO. Mr. Wallace So has over 13 years of experience in corporate finance industry.

Part A: Report from Company's Auditor

The Board of Directors
Innovax Holdings Limited
Unit A to C, 20/F, Neich Tower
128 Gloucester Road
Wanchai, Hong Kong

17 November 2025

Dear Sirs

Expected gain or loss on disposal of the entire issued share capital of Innovax Credit Limited and Innovax Management Limited

We refer to the following expected gain or loss as set out in the section headed "Information on Innovax Credit and Innovax Management" set out in the Letter from the Board in the circular issued by Innovax Holdings Limited (the "**Company**") in connection with, among other matters, the connected and discloseable transaction involving disposal of Innovax Credit Limited ("**Innovax Credit**") and Innovax Management Limited ("**Innovax Management**") dated 17 November 2025 (the "**Circular**"). The Expected Gain or Loss has been prepared by the directors of the Company and constitutes a profit forecast under Rule 10 of the Codes on Takeovers and Mergers and Share buy-back issued by the Securities and Futures Commission.

"*It is expected that upon the Disposal Completion, the disposal will result in the estimated gain of approximately HK$3.8 million.*" (the "**Expected Gain or Loss**").

Directors' Responsibilities

The Expected Gain or Loss has been prepared by the directors of the Company based on the audited financial statements of Innovax Credit and Innovax Management for the year ended 28 February 2025 after making certain adjustments as detailed in section headed "Letter from the Board" to the Circular for the purpose of streamlining the financial position of Innovax Credit and Innovax Management prior to the Disposal Completion.

The Company's directors are solely responsible for the Expected Gain or Loss.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 "*Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion on the accounting policies and calculations of the Expected Gain or Loss based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500, *Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness* and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Expected Gain or Loss is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Company and its subsidiaries (collectively referred to as the "**Group**"). Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Expected Gain or Loss has been properly compiled in accordance with the bases and assumptions adopted by the directors as set out in the section headed "Letter from the Board" to the Circular and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the consolidated financial statements of the Group for the year ended 28 February 2025.

Your faithfully

BDO Limited
Certified Public Accountants

Hong Kong, 17 November 2025

Part B: Report from Merdeka

17 November 2025

The Board of Directors
Innovax Holdings Limited
Unit A to C, 20/F
Neich Tower
128 Gloucester Road
Wanchai
Hong Kong

Dear Sirs,

REPORT ON EXPECTED GAIN OR LOSS

Reference is made to the circular dated 17 November 2025 (the "**Circular**") issued by Innovax Holdings Limited (the "**Company**"). Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless otherwise specified.

We refer to the following statement as set out in the Letter from the Board contained in the Circular in relation to the expected gain or loss on the disposal of the Innovax Credit Limited ("**Innovax Credit**") and Innovax Management Limited ("**Innovax Management**"). The Financial Effect is regarded as profit forecast under Rule 10 of the Takeovers Code and therefore are required to be reported on by the Company's financial adviser and its auditors or accountants. This letter is issued in compliance with the requirement under Rule 10.4 of the Takeovers Code.

"*It is expected that upon the Disposal Completion, the disposal will result in the estimated gain of approximately HK$3.8 million.*" (the "**Financial Effect**")

We have discussed with the directors of the Company (the "**Directors**") the bases upon which the Financial Effect is prepared, i.e. the audited consolidated financial statements of Innovax Credit and Innovax Management for the year ended 28 February 2025, the formula for calculation and adjustment mechanism of the Disposal Consideration. We have also considered the report contained in part A of Appendix I to the Circular issued by BDO Limited, the consulting accountants appointed by the Company, which stated that so far as the accounting policies and calculations are concerned, and on the basis that the completion of the disposal of Innovax Credit and Innovax Management had occurred on 28 February 2025, the Financial Effect has been properly compiled in accordance with the bases adopted by the Directors as set out in the section headed "Letter from the Board" in the Circular and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the published consolidated financial statements of the Company for the year ended 28 February 2025 included in the annual report of the Company for the year ended 28 February 2025 dated 26 June 2025.

The review carried out by us as described above is primarily based on the information and materials supplied to us by or on behalf of the Company, and the opinions expressed by, and the representations of, the employees and/or the senior management of the Company. We have relied upon the accuracy and completeness of all of such information and materials that were made available to us or were discussed with or reviewed by us and have assumed such accuracy and completeness for the purpose of providing this opinion. We have also relied on the assurances of the management of the Company that they are not aware of any facts or circumstances that would make any information necessary for us to provide this opinion inaccurate or misleading and that the management have not omitted to provide us with any information which may be relevant to the delivery of this opinion.

On the basis of the foregoing, we are of the opinion that the Financial Effect, for which the Directors are solely responsible, have been made with due care and consideration.

We hereby give our consent to and confirm that we have not withdrawn our consent to the issue of the Circular with the inclusion of this letter.

Yours faithfully,
For and on behalf of
Merdeka Corporate Finance Limited

Wallace So
Managing Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions the Directors and the chief executive of the Company in the securities of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of the Part XV of the SFO) (i) which were required 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 which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, were as follows:

(i) Long position in shares and underlying shares of equity derivatives:

Name of Director	Capacity/ Nature of interest	Number of ordinary shares	Percentage of issued ordinary shares *(%)*
Mr. Chung *(Note)*	Beneficial owner Interest of controlled corporation	45,000,000	75.00

Note:

Mr. Chung and Billion Shine are the controlling Shareholders. Mr. Chung owns the entire issued share capital of Billion Shine. By virtue of the SFO, Mr. Chung Chi Man is deemed to be interested in such shares held by Billion Shine.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) where were required 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 which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial Shareholders

So far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

Long position in shares and underlying shares of equity derivatives:

Name of Shareholder	**Capacity/ Nature of interest**	**Number of ordinary shares**	**Percentage of issued ordinary shares** *(%)*
Mr. Chung *(Note)*	Interest of controlled corporation	45,000,000	75.00
Billion Shine *(Note)*	Beneficial owner	45,000,000	75.00

Note:

Mr. Chung and Billion Shine are the controlling Shareholders. Mr. Chung owns the entire issued share capital of Billion Shine. By virtue of the SFO, Mr. Chung Chi Man is deemed to be interested in such shares held by Billion Shine.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which does not expire or is not determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTERESTS IN A COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective close associates was interested in any business, apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

As at the Latest Practicable Date, none of the Directors had any interest, either direct or indirect, in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any members of the Group since 28 February 2025, being the date to which the latest published audited financial statements of the Group were made up.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries, which was subsisting and was significant in relation to the business of the Group.

5. DIRECTORS INTEREST IN THE GROUP'S ASSETS OR CONTRACT OR ARRANGEMENT SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement, which was significant in relation to the business of the Group; and none of the Directors nor their respective associates had any direct or indirect interests in any assets which had been acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group since 28 February 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

6. EXPERTS' QUALIFICATIONS AND CONSENTS

The following are the experts, and their qualifications, who have given opinion or advice contained in this circular:

Name of expert	Qualification
Merdeka	a corporation licensed to carry on type 6 regulated activities under the SFO
BDO Limited	Certified Public Accountants

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein a copy of its advice and/or references to its name, in the form and context in which they respectively appear.

As at the Latest Practicable Date, each of the above experts had no shareholding, direct or indirect, in any member of the Group nor any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, none of the above experts had any direct or indirect interests in any assets which have been, since 28 February 2025, being the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by or leased to or proposed to be acquired or disposed of by or leased to any member of the Group.

7. MATERIAL ADVERSE CHANGE

The Directors confirm that as at the Latest Practicable Date, there has been no material adverse change in the financial or trading position of the Group since 28 February 2025 being the date to which the latest published audited consolidated accounts of the Group were made up.

8. GENERAL

(a) The company secretary of the Company is Ms. Chau Lok Yi, who is the qualified accountant in Hong Kong.

(b) The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

(c) The headquarters and principal place of business of the Company in Hong Kong is Unit A to C, 20/F, Neich Tower, 128 Gloucester Road, Wanchai, Hong Kong.

(d) The share registrar of the Company in Hong Kong is Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong.

(e) The English text of this circular shall prevail over the Chinese text in case of inconsistency.

9. DOCUMENTS ON DISPLAY

Copies of the following documents are available on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.innovax.hk) and the SFC's website (www.sfc.hk) from the date of this circular up to the date of the EGM (being not less than 14 days):

(a) the Disposal Agreement;

(b) the letter from the Board to the Shareholders, the text of which is set out on pages 5 to 16 of this circular;

(c) the letter of recommendation from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 17 to 18 of this circular;

(d) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Shareholders, the text of which is set out on pages 19 to 39 of this circular;

(e) the report from the Company's auditors on expected gain or loss, the text of which is set out in Appendix I to this circular;

(f) the report from the Independent Financial Adviser on expected gain or loss, the text of which is set out in Appendix I to this circular; and

(g) the written consents as referred to in the section headed "Experts' Qualifications and Consents" in this Appendix.

INNOVAX HOLDINGS LIMITED
創陞控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2680)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the "**Meeting**") of Innovax Holdings Limited (the "**Company**") will be held at Unit A to C, 20/F, Neich Tower, 128 Gloucester Road, Wanchai, Hong Kong on Friday, 5 December 2025 at 2:00 p.m. for the purpose of considering and, if thought fit, passing with or without amendments the following resolution of the Company:

ORDINARY RESOLUTION

"**THAT**

(a) the sale and purchase agreement dated 25 September 2025 (the "**Disposal Agreement**") entered into between Crystal Prospect Limited, a wholly-owned subsidiary of the Company, as the vendor, and Maine Sky Limited, which is wholly-owned by Mr. Chung Chi Man, as the purchaser, in relation to the disposal of the entire issued share capital of Innovax Credit Limited and Innovax Management Limited for a total consideration of HK$58.2 million (subject to adjustment) and all the transactions contemplated thereunder, details of which are set out in the circular of the Company dated 17 November 2025 be and are hereby approved, confirmed and ratified; and

(b) any one director of the Company be and is hereby authorised to do all such acts and things and execute all such documents which he may consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Disposal Agreement and the transactions contemplated thereunder and all matters incidental thereto."

By order of the Board
Innovax Holdings Limited
Chau Lok Yi
Company Secretary

Hong Kong, 17 November 2025

Notes:

1. In order to determine the eligibility to attend and vote at the above meeting, the register of members of the Company will be closed from Tuesday, 2 December 2025 to Friday, 5 December 2025 (both dates inclusive). The record date for determination of entitlements of the members of the Company to attend and vote at the EGM will be on Friday 5 December 2025. To qualify to attend and vote at the meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, no later than 4:00 p.m. on Monday, 1 December 2025.

2. Any member of the Company entitled to attend and vote at the above meeting (or any adjournment thereof) is entitled to appoint one or more persons as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.

3. In the case of joint registered holders of any shares in the Company, any one of such persons may vote at the above meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders are present at the above meeting personally or by proxy, that one so present whose name stands first in the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.

4. In order to be valid, the completed form of proxy together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited at the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not less than 48 hours (i.e. Wednesday, 3 December 2025 at 2:00 p.m.) before the time appointed for holding the above meeting or adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM and any adjournment thereof if you so wish, and if such event, the form of proxy will be deemed to be revoked.

5. Shareholders are suggested to telephone the Company's hotline on (852) 2311 0322 for arrangements of the meeting in the event that a gale warning (tropical cyclone no. 8 or above) or "extreme conditions" caused by super typhoons or black rainstorm warning is hoisted on the day of the meeting.

6. References to time and dates in this notice are to Hong Kong time and dates.

7. In case of any inconsistency between the Chinese translation and the English text hereof, the English text shall prevail.

As at the date of this notice, the Board comprises: Mr. Chung Chi Man as the Chairman of the Company and executive Director; Mr. Poon Siu Kuen, Calvin as the 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.