



INNOVAX HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)


Stock code: 2680



Interim Report
2025/2026

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Chung Chi Man
Mr. Poon Siu Kuen, Calvin

Independent Non-executive Directors

Ms. Chan Ka Lai, Vanessa
Dr. Wu Kwun Hing
Mr. Kwong Hon Nan Eric

AUDIT COMMITTEE

Ms. Chan Ka Lai, Vanessa (*Chairlady*)
Dr. Wu Kwun Hing
Mr. Kwong Hon Nan Eric

REMUNERATION COMMITTEE

Mr. Kwong Hon Nan Eric (*Chairman*)
Dr. Wu Kwun Hing
Ms. Chan Ka Lai, Vanessa

NOMINATION COMMITTEE

Dr. Wu Kwun Hing (*Chairman*)
Ms. Chan Ka Lai, Vanessa
Mr. Kwong Hon Nan Eric

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–C, 20/F, Neich Tower
128 Gloucester Road
Wanchai, Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
(ceased with effect from 12 March 2025)
Shops 1712–1716 17/F, Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong

Union Registrars Limited
(with effect from 12 March 2025)
Suites 3301–04, 33/F.
Two Chinachem Exchange Square
338 King's Road
North Point, Hong Kong

COMPANY SECRETARY

Ms. Chau Lok Yi

LEGAL ADVISERS

Jingtian & Gongcheng LLP
Suites 3203–3207
32/F., Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

AUDITOR

BDO Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Chong Hing Bank Limited
Hang Seng Bank Limited
The Hong Kong and Shanghai Banking Corporation Limited

WEBSITE

www.innovax.hk

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

Management Discussion and Analysis

The board (the “Board”) of directors (the “Directors”) of Innovax Holdings Limited (the “Company”) submits herewith the unaudited condensed consolidated results of the Company and its subsidiaries (together, the “Group”) for the six months ended 31 August 2025 (the “Period”) together with the comparative figures for the six months ended 31 August 2024 (the “Corresponding Period”).

OVERVIEW

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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) and money lending business under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

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

During the Period, the Group’s total revenue was approximately HK\$12.0 million, representing a decrease of approximately 87.2%, as compared to the Corresponding Period. 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 the Corresponding Period, 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 the Period, 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 the Period.

During the Period, 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 the Corresponding Period. 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 the Period, 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 the Corresponding Period.

MARKET REVIEW

During the Period, the global economy sustained a modest recovery, though it remained vulnerable to persistent challenges. Major economies posted stronger-than-expected GDP growth in the second quarter of 2025, yet manufacturing activity continued to lag and future output expectations were subdued. The US introduced new tariffs and adjusted trade policies, disrupting global supply chains and adding to geopolitical uncertainty. Central banks around the world maintained accommodative monetary stances, with some regions contemplating further rate cuts. Inflationary pressures eased across most economies but stayed elevated relative to historical norms. The industrial adoption of artificial intelligence expanded, though not all firms met revenue expectations, tempering investor enthusiasm.

Management Discussion and Analysis (Continued)

China's economy remained stable during the Period, although its growth rate slightly trailed the performance during the Corresponding Period. In response to ongoing domestic and external pressures, the Chinese government intensified its policy support through tax reductions, increased infrastructure investment, and initiatives to stimulate consumption. Industrial production remained consistent and the property sector continued to weigh on domestic demand, while exports experienced fluctuations due to US trade measures.

Hong Kong's economy maintained moderate growth, supported by improvements in external trade. However, the city faced headwinds from China's economic deceleration and global uncertainties. The retail sector struggled with evolving consumer behavior and rising cross-border spending, while the residential property market remained in a correction phase, marked by declining transaction volumes and prices.

In the US, the stock market posted strong gains throughout the Period, buoyed by better-than-expected corporate earnings and growing expectations of monetary easing and interest rate cut. The technology sector including AI and semiconductor industries continued to attract significant capital inflows, reinforcing investor confidence. The Dow Jones index, the S&P 500 index and the Nasdaq Composite increased by approximately 3.9%, approximately 8.5% and approximately 13.8% respectively, closing at 45,545, 6,460, 21,456 respectively. During the Period, the Shanghai Stock Exchange Composite Index, the Shenzhen Stock Exchange Composite Index and the ChiNext Index increased by approximately 16.2%, approximately 19.6% and approximately 33.2% respectively, closing at 3,858, 12,696 and 2,890 respectively, and the Hang Seng Index increased by approximately 9.3%, closing at 25,078 and the average daily trading turnover of the Hong Kong stock market increased to approximately HK\$256.4 billion by approximately 130.6%, as compared to the Corresponding Period.

During the Period, Hong Kong's IPO market experienced a dramatic revival, where the total amount of funds raised from newly listed companies on the main board (the "Main Board") and GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") increased by approximately 672.5% to approximately HK\$127.1 billion, and the number of newly listed companies on the Main Board and GEM increased by approximately 36.1% to 49, as compared to the Corresponding Period. This surge was driven primarily by large-scale A+H IPOs from mainland Chinese firms, alongside improved market sentiment, regulatory enhancements, and strong investor appetite in sectors like technology, healthcare, and consumer goods.

BUSINESS REVIEW

Corporate Finance Advisory Services

During the Period, the Group was engaged in a total of 32 corporate finance advisory projects (the Corresponding Period: 33 projects) including 6 IPO sponsorship projects (the Corresponding Period: 4 projects), 19 financial and independent financial advisory projects (the Corresponding Period: 22 projects) and 7 compliance advisory projects (the Corresponding Period: 7 projects). Income generated from the corporate finance advisory business amounted to approximately HK\$4.8 million, representing an increase of approximately 10.8% from approximately HK\$4.3 million during the Corresponding Period.

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.

IPO sponsorship services

Leveraging on its competitiveness and solid experience, provision of IPO sponsorship services remains as the Group's core business. During the Period, the Group was engaged in 6 IPO sponsorship projects (the Corresponding Period: 4 projects) and income generated from provision of IPO sponsorship services was approximately HK\$1.5 million (the Corresponding Period: approximately HK\$0.3 million).

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.

Financial and independent financial advisory services

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

During the Period, the Group was engaged in 16 financial advisory projects (the Corresponding Period: 18 projects) and 3 independent financial advisory projects (the Corresponding Period: 4 projects) and income generated from provision of financial and independent financial advisory services was approximately HK\$2.5 million (the Corresponding Period: approximately HK\$3.0 million).

Compliance advisory services

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

During the Period, the Group was engaged in 7 compliance advisory projects (the Corresponding Period: 7 projects) and income generated from provision of compliance advisory services was approximately HK\$0.8 million (the Corresponding Period: approximately HK\$1.0 million).

Placing and Underwriting Services

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

During the Period, the Group participated and/or completed 4 placing and underwriting projects (the Corresponding Period: 18 projects), including 2 transactions as placing agent or distributor for issue of new shares by listed companies, 1 transaction as placing agent for placing of existing shares of a listed company and 1 transaction as bookrunner and lead manager for an IPO of a listing applicant. Due to investors becoming more selective and demanding higher yields and stronger credit profiles to compensate for rising risks, during the Period, the Group did not participate in the underwriting for issue of bonds, while during the Corresponding Period, the Group participated in 15 transactions as bookrunner and underwriter for issue of bonds by unlisted corporations, resulting in the significant decrease in the income generated from the placing and underwriting business during the Period to approximately HK\$1.4 million (the Corresponding Period: approximately HK\$85.7 million).

Management Discussion and Analysis (Continued)

The Group will leverage its expertise and extensive industry network to secure more equity and bond placing and underwriting projects and will continue to further expand its product and service coverage. With the continuous improvement in the IPO market sentiment and liquidity of the stock market, the Group is optimistic with the future growth of its equity placing and underwriting business.

Securities Dealing and Brokerage Services

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

As at 31 August 2025, the Group had 1,194 securities accounts maintained in Innovax Securities Limited (as at 28 February 2025: 1,003) and the commission income generated from the securities dealing and brokerage business was approximately HK\$2.6 million during the Period (the Corresponding Period: approximately HK\$1.3 million).

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

Securities Financing Services

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

As at 31 August 2025, the total outstanding balance of margin loans amounted to approximately HK\$22.4 million (as at 28 February 2025: approximately HK\$13.4 million). The interest income generated from the securities financing business was approximately HK\$0.9 million during the Period (the Corresponding Period: approximately HK\$1.4 million), where such decrease was due to the Group's continuous prudent approach and strategy to reduce its risk exposure under the highly volatile market conditions during the Period. Given the continuous improvement of the performance and liquidity of the stock market, the Group has been cautiously expanding its margin loan portfolio since the second quarter of 2025 and will continue to develop its securities financing business steadily by closely monitoring its risk exposure and improving its risk management system and credit control capabilities in order to mitigate potential market risks and operational risks.

Asset Management Services

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

As at 31 August 2025, the Group's aggregate asset under management was approximately HK\$174.4 million (as at 28 February 2025: approximately HK\$69.2 million). With the increase of the asset under management as compared to the Corresponding Period, the income generated from the asset management business during the Period increased to approximately HK\$1.2 million (the Corresponding Period: approximately HK\$0.2 million), representing an increase of approximately 485.4%.

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

Money Lending Services

The Group provides money lending services through Innovax Credit Limited.

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

Details of the Group's money lending business for the Period and the year ended 28 February 2025 are as follows:

	For the six months ended 31 August 2025 HK\$'000 (unaudited)	For the year ended 28 February 2025 HK\$'000 (audited)
Personal loans		
Number of personal loans (per person)	12	10
Outstanding principal of personal loans (HK\$'000)	28,739	27,354
Range of interest rates (per annum)	3%–15%	3%–15%
Corporate loans		
Number of corporate loans (per corporate)	2	1
Outstanding principal of corporate loans (HK\$'000)	3,908	2,443
Range of interest rates (per annum)	5%–10%	5%

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

During the Period, the interest income from the money lending business was approximately HK\$1.1 million (the Corresponding Period: approximately HK\$772,000) and accounted for approximately 8.8% (the Corresponding Period: approximately 0.8%) of the Group's revenue. The loan receivables as at 31 August 2025 was approximately HK\$32.6 million (as at 28 February 2025: approximately HK\$29.8 million). During the Period, the Group's money lending business did not record any doubtful or bad debt.

As at 31 August 2025, the amount of loan receivables due from the largest borrower and the five largest borrowers were approximately HK\$8.8 million (approximately 26.9% of the total loan receivables) (as at 28 February 2025: approximately HK\$8.8 million (approximately 29.5% of the total loan receivables)) and approximately HK\$22.8 million (approximately 69.9% of the total loan receivables) (as at 28 February 2025: approximately HK\$22.8 million (approximately 76.6% of the total loan receivables)) respectively.

Management Discussion and Analysis (Continued)

The Group has in place internal control procedures in relation to its money lending business, including but not limited to conducting prudent credit assessment and customer due diligence by gathering personal and financial background information of the clients, and performing relevant litigation search, company search, and/or land search from the Hong Kong courts, Companies Registry and Land Registry as necessary. The Group cautiously determines the approval of the loan application taking into account the credit assessment and customer due diligence results and the relevant loan terms. The senior management of the Group conducts regular review on the repayment progress and the outstanding balance exposure.

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

Future Contracts Dealing and Brokerage Services

Since June 2019 and up to 14 August 2025, the Group had been licensed to conduct type 2 (dealing in future contracts) regulated activity. During the aforesaid period, the Group did not conduct any business in relation to dealing in future contracts and therefore, no revenue was generated from the future contracts dealing and brokerage business. The Group plans to apply to the SFC for the license to conduct the type 2 (dealing in future contracts) regulated activity when it deems the time appropriate to commence the future contracts dealing and brokerage business.

FINANCIAL REVIEW

Revenue

During the Period, the Group's total revenue was approximately HK\$12.0 million, representing a decrease of approximately 87.2%, as compared to the Corresponding Period. 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 the Corresponding Period, 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 the Period, 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 the Period.

Other Operating Expenses

During the Period, the Group's other operating expenses decreased by approximately 92.0% to approximately HK\$7.1 million (the Corresponding Period: approximately HK\$89.0 million). Such decrease was mainly attributable to the sub-underwriting expenses recognised in relation to the participation in the underwriting for issue of bonds during the Corresponding Period of approximately HK\$84.3 million while no such participation and relevant expenses recognised during the Period.

Staff Costs

During the Period, staff costs increased by approximately 8.9% to approximately HK\$11.8 million (the Corresponding Period: approximately HK\$10.8 million). The increase was primarily due to an increase of professional staff as compared to the Corresponding Period.

Profit attributable to the owners of the Company

During the Period, 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 the Corresponding Period. 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 the Period, 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 the Corresponding Period.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

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

As at 31 August 2025, the Group's net current assets amounted to approximately HK\$202.9 million (as at 28 February 2025: approximately HK\$184.6 million), and its liquidity as represented by current ratio (current assets/current liabilities) was approximately 2.34 times (as at 28 February 2025: approximately 2.11 times). As at 31 August 2025, bank balances amounted to approximately HK\$67.8 million (as at 28 February 2025: approximately HK\$97.2 million).

Gearing ratio is calculated based on debts including payables incurred not in the ordinary course of business divided by the total equity as at the end of the reporting period. As at 31 August 2025 and 28 February 2025, the Group's debt including payables incurred not in the ordinary course of business were nil, representing a gearing ratio of nil.

As at 31 August 2025 and as at the date of this Interim Report, the total issued shares of the Company were 60,000,000.

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

PLEDGE OF ASSETS

As at 31 August 2025, the Group did not have any pledged assets (as at 28 February 2025: Nil).

FOREIGN CURRENCY EXPOSURE

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

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 August 2025, the Group did not have any significant capital commitment and contingent liability (as at 28 February 2025: Nil).

Management Discussion and Analysis (Continued)

LOAN COMMITMENT

As at 31 August 2025, the Group did not have any loan commitment (as at 28 February 2025: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 August 2025, the Group employed 39 staff (including executive Directors) (as at 28 February 2025: 38). The employees' remuneration was determined based on factors such as qualification, duty, contributions and years of experience of the employees.

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

During the Period, staff costs increased by approximately 8.9% to approximately HK\$11.8 million (the Corresponding Period: approximately HK\$10.8 million). The increase was primarily due to an increase of professional staff as compared to the Corresponding Period.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

The Group did not hold any other significant investment with a value greater than 5% of the Company's gross assets as at 31 August 2025.

RISK MANAGEMENT

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

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

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Period (the Corresponding Period: Nil).

NO MATERIAL ADVERSE CHANGE

The Directors confirmed that there was no material adverse change in the Group's financial and trading position or prospects as at 31 August 2025.

OUTLOOK AND PROSPECT

The Group maintains a cautiously constructive stance on the global financial markets, acknowledging both emerging opportunities and persistent risks. While the anticipated easing of monetary policy by the US Federal Reserve has been slower than expected due to lingering inflationary pressures, recent signals suggest a more balanced approach as the US Federal Reserve weighs economic fragility against inflation risks. This has contributed to a mixed but stabilising sentiment across global markets.

Globally, economic growth is constrained by a complex web of geopolitical tensions, including the ongoing Russia-Ukraine conflict and renewed instability in the Middle East. Trade disruptions and policy unpredictability — particularly in the wake of evolving US trade strategies — continue to weigh on investor sentiment and cross-border capital flows.

Artificial intelligence and high-tech sectors continue to be pivotal drivers of economic transformation. The integration of generative AI, automation, and machine learning into core business operations is accelerating, creating new avenues for productivity and innovation across industries. However, elevated valuations and regulatory scrutiny in certain tech segments warrant selective positioning.

In China, fiscal stimulus and targeted monetary support remain central to the government's strategy for economic recovery. While infrastructure investment and manufacturing resilience offer some uplift, the property sector remains under pressure, and consumer confidence has yet to fully rebound. The outlook is tempered by structural challenges and the need for deeper reforms.

Hong Kong's economy has shown signs of resilience in 2025, with real GDP expanding by 3.1% year-on-year in the first quarter, supported by strong exports and a rebound in investment expenditure. However, private consumption remains subdued, reflecting cautious consumer sentiment amid global uncertainties.

The Hong Kong stock market has benefited from improved investor confidence, driven by expectations of continued support from Mainland China and a gradual recovery in global trade. Technology and financial sectors have led gains, although volatility persists due to external risks and policy shifts. Market participants remain watchful of geopolitical developments and US-China trade dynamics, which continue to influence capital flows and sentiment.

Management Discussion and Analysis (Continued)

Under this environment, diversification and risk management remain paramount. The Group continues to closely monitor macroeconomic developments, regulatory updates, trade developments and technological advancements, seeking resilient investment opportunities while maintaining a prudent and disciplined approach to manage market and operational risks by continuing to enhance its risk management and credit control capabilities, and will stay vigilant and aware of impacts from adverse market condition and operational environment by following disciplined cost control strategy.

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

The supportive stance of the Hong Kong and Chinese governments towards the financial sector of Hong Kong, including ongoing enhancements to the listing regime, development of offshore RMB business and reinforcement of Hong Kong's role in the Greater Bay Area, remains encouraging. The Group believes that Hong Kong will continue to play a pivotal role as an international financial centre and a gateway to the Chinese market. The Group will continue to align with national strategies and leverage its overseas network and talent pool to pursue cross-border business expansion and foster strategic partnerships.

Corporate Governance and Other Information

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board is of the view that the Company has complied with the code provisions set out in the Corporate Governance Code (“CG Code”) contained in Appendix C1 to the Listing Rules for the Period and up to the date of this Interim Report.

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

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

AUDIT COMMITTEE

The Company established an audit committee (the “Audit Committee”) on 24 August 2018 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code. As at the date of this Interim Report, it comprises three members, namely, Ms. Chan Ka Lai, Vanessa (Committee Chairlady), Dr. Wu Kwun Hing and Mr. Kwong Hon Nan, Eric, all being independent non-executive Directors. The Audit Committee is chaired by Ms. Chan Ka Lai, Vanessa, who possesses the appropriate professional qualifications.

The Audit Committee has reviewed and discussed with the management of the Group the unaudited condensed consolidated financial statements of the Group for the Period, as well as the accounting principles and practices adopted by the Group.

REVIEW OF UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements of the Group as set out in this Interim Report had not been audited nor reviewed by the Group’s auditor, BDO Limited, but had been reviewed by the Audit Committee.

MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix C3 to the Listing Rules as the required standard for securities transactions by the Directors.

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

Corporate Governance and Other Information (Continued)

DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

None of the Directors or his/her connected entities has or had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party throughout the Period.

DEED OF NON-COMPETITION

The controlling shareholders as defined in the Listing Rules and, in the context of the Company, means Mr. Chung Chi Man and Billion Shine International Investment Limited ("BSI") (collectively the "Controlling Shareholders"), have entered into the deed of non-competition dated 24 August 2018 (the "Deed of Non-competition") in favour of the Company, details of which were set out in the prospectus of the Company dated 31 August 2018. Pursuant to the Deed of Non-competition, the Controlling Shareholders have undertaken to the Company (for itself and as trustee for each of its subsidiaries from time to time) that with effect from 14 September 2018, being the date of listing (the "Listing") of the Company's shares on the Stock Exchange, they would not and would procure that none of their close associates (except for any members of the Group) shall, except through their interests in the Company, whether as principal or agent and whether undertaken directly or indirectly, either on their own account or in conjunction with or on behalf of any person, corporate, partnership, joint venture or other contractual arrangement and whether for profit or otherwise, among other things, carry on, participate, acquire or hold any right or interest or otherwise be interested, involved or engaged in or connected with, directly or indirectly, any business which is, directly or indirectly, in any respect in competition with or similar to or is likely to be in competition with the core business of the Group currently engaged or possibly in the future to be engaged by the Group in Hong Kong or such other countries as the Group may conduct or carry on business from time to time.

The Controlling Shareholders have confirmed to the Company that during the Period and up to the date of this Interim Report, they and their respective close associates (as defined under the Listing Rules) have complied with the undertakings contained in the Deed of Non-competition.

For the Period and up to the date of this Interim Report, none of the Directors, the Controlling Shareholders or their respective close associates (as defined under the Listing Rules) had any business or interest in a business which competes or may compete with the business of the Group and any other conflicts of interest with the Group.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 August 2025, the following Directors and chief executive of the Company had or were deemed to have interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and 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:

Interest in shares of the Company

Name of Director	Capacity/Nature of interest	Number and class of securities (Note 1)	Approximate percentage of interest in the Company (Note 3)
Executive Director Mr. Chung Chi Man	Interest in controlled corporation (Note 2)	45,000,000 shares (L)	75%

Notes:

- (1) The letter "L" denotes a person's long position in the shares.
- (2) Mr. Chung Chi Man and BSI are the Controlling Shareholders. Mr. Chung Chi Man owns the entire issued share capital of BSI. By virtue of the SFO, Mr. Chung Chi Man is deemed to be interested in such shares held by BSI.
- (3) The calculation is based on the total number of 60,000,000 shares in issue as at 31 August 2025.

Interest in shares of associated corporation of the Company

Name of Director	Name of associated corporation	Capacity/Nature of interest	Number and class of securities (Note)	Approximate percentage of shareholding in associated corporation
Mr. Chung Chi Man	BSI	Beneficial owner	110 shares (L)	100%

Note: The letter "L" denotes a person's long position in the shares.

Save as disclosed above, as at 31 August 2025, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) 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 he was taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Corporate Governance and Other Information (Continued)

INTEREST DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDER

So far as is known to the Directors, as at 31 August 2025, 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, underlying shares or debentures of the Company 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 which were required to be recorded in the register of interests required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number and class of securities (Note 1)	Approximate percentage of shareholding (Note 3)
BSI	Beneficial owner	45,000,000 shares (L)	75%
Ms. Lee Yin Har	Interest of spouse (Note 2)	45,000,000 shares (L)	75%

Notes:

- (1) The letter "L" denotes a person's long position in the shares.
- (2) Ms. Lee Yin Har is the spouse of Mr. Chung Chi Man. She is deemed, or taken to be, interested in all shares in which Mr. Chung Chi Man is interested in for the purpose of the SFO.
- (3) The calculation is based on the total number of 60,000,000 shares in issue as at 31 August 2025.

Save as disclosed above, as at 31 August 2025, none of the substantial or significant shareholders or other persons, other than the Directors and chief executive of the Company whose interests are set out in the paragraph headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above, had any interests or short positions in the shares or underlying shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "2018 Share Option Scheme") pursuant to Chapter 17 of the Listing Rules on 24 August 2018, which was terminated on 18 August 2023. No further share option has been or will be granted under the 2018 Share Option Scheme since its termination, while the share options granted prior to such termination shall continue to be valid and exercisable in accordance with the 2018 Share Option Scheme. For further details of termination of the 2018 Share Option Scheme, please refer to the circular of the Company dated 14 July 2023. On 9 March 2022, the Company granted a total of 40,000,000 share options according to the 2018 Share Option Scheme to the Directors and certain employees of the Group. Details of the share options granted under the 2018 Share Option Scheme are set out in the announcement dated 9 March 2022 of the Company. No such share options had been exercised up to 31 August 2025. As approved by the Board and with the consent of the relevant grantees, the 40,000,000 outstanding share options (the "Cancelled Share Options") granted according to the 2018 Share Option Scheme were cancelled with effect from 26 September 2024 in accordance with the terms of the 2018 Share Option Scheme. Details of the Cancelled Share Options are set out in the announcement of the Company dated 26 September 2024.

Corporate Governance and Other Information (Continued)

The Company has adopted a new share option scheme pursuant to Chapter 17 of the Listing Rules on 18 August 2023 (the "Share Option Scheme"). The purpose of the Share Option Scheme is to reward the eligible participants ("Eligible Participants") who have contributed or will contribute to the Group, to motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group and to attract and maintain on-going business relationship with the Eligible Participants. Eligible Participants include (a) any Director, chief executive or employee of the Group and (b) person(s) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group ("Service Providers"). The eligibility of each Eligible Participant shall be determined by the Board from time to time on the basis of the contribution or potential contribution of the Eligible Participant to the development and growth of the Group. The Share Option Scheme shall be valid and effective for a period of ten years commencing from 18 August 2023, after which no further share option shall be granted. Therefore, as at the date of this Interim Report, the remaining life of the Share Option Scheme was approximately eight years.

Under the Share Option Scheme, the Board shall be entitled to determine the grant of share options and the number of share options to be granted to the relevant grantees taking into account such factors as the Board may consider appropriate. The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and other share option scheme(s) of the Company (if any) and the awards to be granted under share award scheme(s) of the Company (if any), is 40,000,000 shares, being 10% of the total number of shares in issue as at 18 August 2023. The Company may seek the approval of its shareholders in general meeting to refresh the aforesaid scheme mandate limit pursuant to the Share Option Scheme and the Listing Rules.

No option shall be granted to any Eligible Participant if, at the relevant time of grant, the number of shares issued and to be issued in respect of all grants made under any share scheme(s) of the Company (granted and proposed to be granted, whether exercised, cancelled or outstanding, excluding any options or awards lapsed in accordance with any share schemes of the Company) to the relevant Eligible Participant in the 12-month period up to and including the date of such grant would exceed 1% of the total number of shares in issue at such time. Any grant or further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting of the Company.

The total number of shares which may be issued in respect of all options to be granted to the Service Provider(s) under the Share Option Scheme and all options and awards to be granted under any other share option scheme(s) and share award scheme(s) of the Company shall not exceed 1% of the total number of shares in issue as at 18 August 2023 ("Service Provider Sublimit") or the relevant date of approval of the refreshment of the Service Provider Sublimit.

The exercise price of share options is determined by the Board and shall be at least the highest of (i) the closing price of the Company's shares as stated in the daily quotations sheet of the Stock Exchange on the date of offer of the share options, which must be a business day; (ii) the average of the closing prices of the Company's shares as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the date of offer of the share options; and (iii) the nominal value of a share. Offers for grant of options shall be valid for acceptance within 30 days after the date of offer, when the grantee shall pay HK\$1.00 to the Company as consideration for the grant.

Corporate Governance and Other Information (Continued)

Vesting period for the options granted under the Share Option Scheme shall not be less than twelve (12) months.

No options have been granted, cancelled, exercised or lapsed under the Share Option Scheme from 18 August 2023, being the date of adoption of the Share Option Scheme. As at the beginning and the end of the Period, the number of share options available for grant under the scheme mandate is 6,000,000 and the Service Provider Sublimit is 600,000.

Apart from the Share Option Scheme, at no time during the Period and up to the date of this Interim Report the Company or any associated corporation was a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age 18, had any right to subscribe for the shares in, or debentures of, the Company, or had exercised any such rights.

Save as disclosed above, the Company did not have any outstanding share options, warrants, derivatives or securities which are convertible or exchangeable into shares as at 31 August 2025.

EVENT AFTER THE REPORTING PERIOD

On 10 October 2025, Mr. Wang Tingfa and the Company jointly announced (i) the acquisition of the entire issued shares in BSI by Mr. Wang Tingfa (the "Acquisition"); (ii) the possible unconditional mandatory cash offer to acquire all the issued shares of the Company (other than those already owned or agreed to be acquired by Mr. Wang Tingfa and parties acting in concert with him) (the "Offer"); and (iii) the proposed disposal of Innovax Credit Limited and Innovax Management Limited (wholly-owned subsidiaries of the Company) to Maine Sky Limited, a company wholly-owned by Mr. Chung Chi Man, the chairman of the Board and an executive Director (the "Disposal").

As at the date of this Interim Report, the Acquisition and the Disposal have not been completed. The Offer will be made if the completion of the Acquisition takes place and the completion of the Disposal is conditional upon, among others, the passing of the ordinary resolutions of the Disposal by the independent shareholders at the extraordinary general meeting and the completion of the Acquisition. For details, please refer to the joint announcement dated 10 October 2025 jointly issued by Mr. Wang Tingfa and the Company.

Save as disclosed above, as at the date of this Interim Report, there was no significant event after the reporting period.

By order of the Board
Innovax Holdings Limited
Chung Chi Man
Chairman

Hong Kong, 28 October 2025

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

For the six months ended 31 August 2025

	Notes	Six months ended	
		31 August 2025 (unaudited) HK\$'000	31 August 2024 (unaudited) HK\$'000
Revenue			
Corporate finance advisory services	5	4,815	4,347
Placing and underwriting services	5	1,441	85,701
Securities dealing and brokerage services	5	2,581	1,270
Asset management services	5	1,202	205
Interest income from securities financing services	5	896	1,409
Interest income from money lending services	5	1,058	772
Total revenue		11,993	93,704
Other income	7	1,910	2,445
Other gains and losses	8	24,092	(18,301)
		37,995	77,848
Other operating expenses		(7,127)	(89,025)
Depreciation of property and equipment	16	(10)	(45)
Depreciation of right-of-use assets	17	(596)	(632)
Impairment allowance on financial assets, net of reversal	9	(145)	(161)
Staff costs	10	(11,798)	(10,837)
Finance costs	11	(40)	(37)
Profit/(loss) before tax	12	18,279	(22,889)
Income tax expenses	13	—	—
Profit/(loss) and total comprehensive income/(expense) for the period		18,279	(22,889)
Earnings/(loss) per share			
Basic and diluted (HK cents)	15	30.47	(47.16)*

* Restated

Condensed Consolidated Statements of Financial Position

For the six months ended 31 August 2025

	Notes	As at	
		31 August 2025 (unaudited) HK\$'000	28 February 2025 (audited) HK\$'000
Non-current assets			
Property and equipment	16	21	24
Right-of-use assets	17	1,210	1,131
Intangible asset	18	500	500
Deferred tax assets	30	357	357
Other receivables, deposits and prepayments	21	336	482
Interest in joint venture		—	—
Interest in associate		50	50
Total non-current assets		2,474	2,544
Current assets			
Accounts receivable	19	56,709	43,331
Loan receivables	20	32,647	29,797
Other receivables, deposits and prepayments	21	1,648	2,535
Financial assets at fair value through profit or loss	22	80,747	44,150
Amount due from a joint venture		230	230
Cash and bank balances	23	67,753	97,197
Cash and bank balances — held on behalf of customers	24	114,345	133,243
Total current assets		354,079	350,483
Total assets		356,553	353,027
Current liabilities			
Accounts payable	25	147,686	162,916
Other payables and accruals	26	2,160	1,747
Contract liabilities	27	233	234
Lease liabilities	28	1,067	1,008
Total current liabilities		151,146	165,905
Net current assets		202,933	184,578
Total assets less current liabilities		205,407	187,122
Non-current liabilities			
Lease liabilities	28	255	249
Net assets		205,152	186,873
Equity			
Share capital	29	6,000	6,000
Reserves		199,152	180,873
Total equity		205,152	186,873

Condensed Consolidated Statements of Changes in Equity

For the six months ended 31 August 2025

	Share capital <i>HK\$'000</i> <i>(note 29)</i>	Share premium <i>HK\$'000</i>	Share option reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 March 2025	6,000	179,334	—	1,539	186,873
Profit and total comprehensive income for the period	—	—	—	18,279	18,279
At 31 August 2025	6,000	179,334	—	19,818	205,152
At 1 March 2024	4,000	169,663	6,707	30,119	210,489
Loss and total comprehensive expense for the period	—	—	—	(22,889)	(22,889)
At 31 August 2024	4,000	169,663	6,707	7,230	187,600

Condensed Consolidated Statements of Cash Flows

For the six months ended 31 August 2025

	Six months ended	
	31 August 2025 HK\$'000 (unaudited)	31 August 2024 HK\$'000 (unaudited)
CASH USED IN OPERATIONS	(30,082)	(29,957)
NET CASH USED IN OPERATING ACTIVITIES	(30,082)	(29,957)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(7)	—
Investment in an associate	—	(50)
Interest received	1,241	2,050
NET CASH GENERATED FROM INVESTING ACTIVITIES	1,234	2,000
FINANCING ACTIVITIES		
Repayment of principal of lease liabilities	(556)	(550)
Repayment of interest portion of lease liabilities	(40)	(37)
NET CASH USED IN FINANCING ACTIVITIES	(596)	(587)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(29,444)	(28,544)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	97,197	112,020
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	67,753	83,476
Analysis of the balances of cash and bank balances		
Cash and bank balances with an original maturity of three months or less:		
Cash at banks	50,157	48,322
Short-term deposits in banks	17,596	35,154
	67,753	83,476

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 August 2025

1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law Chapter 22 of the Cayman Islands on 14 June 2016. The immediate holding company is BSI, a limited liability company incorporated in the British Virgin Islands ("BVI"), which is wholly-owned by Mr. Chung Chi Man, the founder of the Group, the chairman of the Board and an executive Director. The shares of the Company have been listed on the Main Board of Stock Exchange since 14 September 2018.

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

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

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

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Listing Rules and with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Except as described in note 3, the accounting policies applied are consistent with the annual report of the Company for the year ended 28 February 2025, as described in those annual financial statements.

3. SUMMARY OF ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at revalued amounts or fair values, as appropriate.

Other than changes in accounting policies resulting from application of new and amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements of the Group for the Period are the same as those presented in the audited consolidated financial statements of the Group for the year ended 28 February 2025.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 August 2025

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Application of amendments to HKFRSs

During the Period, the Group has first applied the following amendments to HKFRS Accounting Standards issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 March 2025 for the preparation of the Group's unaudited condensed consolidated financial statements:

- Lack of Exchangeability — Amendments to HKAS 21

The application of the amendments to HKFRS Accounting Standards during the Period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are set out as follows.

Expected credit loss ("ECL") for accounts receivable and loan receivables

The ECL for accounts receivable and loan receivables are based on the Group's historical default rates taking into consideration forward-looking information that is reasonably supportable and available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward looking information are considered.

The provision of ECL is sensitive to changes in estimates. The estimates would include the amount and timing of future cash flows and collateral values when determining impairment allowances. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Group considers reasonably supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis. Details of expected credit loss, the information about the ECL and the Group's accounts receivable and loan receivables are disclosed in note 35.

Income taxes

No deferred tax asset was recognised during the Period. The realisability of the deferred tax asset mainly depends on whether sufficient future taxable profits will be available or existing taxable temporary differences will be reversed in the future. In case where the actual future taxable profits generated are more than expected, recognition of deferred tax asset in relation to estimated unused tax losses may arise, which would be recognised in the profit or loss for the period in which such a recognition takes place.

5. REVENUE

Performance obligations for contracts with customers

Corporate finance advisory services

The Group provides IPO sponsorship services to customers. It acts as sponsor for companies seeking to list in Hong Kong advising and guiding them and their directors throughout the listing process. The revenue is recognised over time during the IPO process.

The Group provides financial advisory service to customers. It acts as financial adviser to listed companies in Hong Kong as well as their shareholders and investors advising them on transactions involving the Listing Rules, the GEM Listing Rules or the Takeovers Code. The revenue is recognised over time during the service period.

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

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

Placing and underwriting services

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

Securities dealing and brokerage services

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

Asset management services

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

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 August 2025

5. REVENUE (CONTINUED)

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

	Six months ended	
	31 August 2025 HK\$'000 (unaudited)	31 August 2024 HK\$'000 (unaudited)
Corporate finance advisory services		
Sponsor fee income	1,458	314
Advisory fee income — financial and independent financial advisory	2,512	3,022
Advisory fee income — compliance advisory	845	1,011
	4,815	4,347
Placing and underwriting services		
Placing and underwriting fee income	1,441	85,701
Securities dealing and brokerage services		
Commission income	2,581	1,270
Asset management services		
Management fee income	1,202	205
Sub-total — Revenue from contracts with customers	10,039	91,523
Interest income from securities financing services		
Interest income — Margin clients	896	1,408
Interest income — Cash clients	—	1
	896	1,409
Interest income from money lending services		
Interest income — personal and corporate loans	1,058	772
Sub-total — Interest income from securities financing services and money lending services	1,954	2,181
Total	11,993	93,704

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 August 2025

5. REVENUE (CONTINUED)

	Six months ended	
	31 August 2025 HK\$'000 (unaudited)	31 August 2024 HK\$'000 (unaudited)
Timing of revenue recognition		
— At a point in time	4,022	86,971
— Over time	6,017	4,552
	10,039	91,523
Interest revenue	1,954	2,181
Total	11,993	93,704

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

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

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 August 2025

6. SEGMENT INFORMATION

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

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

Major customers

During the Period, there were no external customers contributed more than 10% of the total revenue of the Group.

	Six months ended	
	31 August 2025 HK\$'000 (unaudited)	31 August 2024 HK\$'000 (unaudited)
Customer A	—	23,212
Customer B	—	16,049
Customer C	—	9,602

7. OTHER INCOME

	Six months ended	
	31 August 2025 HK\$'000 (unaudited)	31 August 2024 HK\$'000 (unaudited)
Interest income from bank balances	1,241	2,050
Dividend income	1	62
Handling fee income	118	200
Others	550	133
	1,910	2,445

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 August 2025

8. OTHER GAINS AND LOSSES

	Six months ended	
	31 August 2025 HK\$'000 (unaudited)	31 August 2024 HK\$'000 (unaudited)
Realised gain/(loss) on financial assets at fair value through profit or loss	23,823	(2,935)
Unrealised gain/(loss) on financial assets at fair value through profit or loss	269	(15,366)
	24,092	(18,301)

9. IMPAIRMENT ALLOWANCE ON FINANCIAL ASSETS, NET OF REVERSAL

	Six months ended	
	31 August 2025 HK\$'000 (unaudited)	31 August 2024 HK\$'000 (unaudited)
Impairment losses on accounts receivable	(78)	(39)
Impairment losses on loan and interest receivables	(67)	(120)
Impairment losses on other receivables	—	(2)
	(145)	(161)

10. STAFF COSTS

	Six months ended	
	31 August 2025 HK\$'000 (unaudited)	31 August 2024 HK\$'000 (unaudited)
Directors' emoluments	1,488	1,518
Other staffs		
Salaries and allowance	10,030	9,064
Contributions to Mandatory Provident Fund Scheme	280	255
	11,798	10,837

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 August 2025

11. FINANCE COSTS

	Six months ended	
	31 August 2025 HK\$'000 (unaudited)	31 August 2024 HK\$'000 (unaudited)
Interest expenses — lease liabilities	40	37
	40	37

12. PROFIT/(LOSS) BEFORE TAX

	Six months ended	
	31 August 2025 HK\$'000 (unaudited)	31 August 2024 HK\$'000 (unaudited)
Profit/(loss) for the period has been arrived at after charging:		
Depreciation of property and equipment	10	45
Depreciation of right-of-use assets	596	632

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 August 2025

13. INCOME TAX EXPENSE

	Six months ended	
	31 August 2025 HK\$'000 (unaudited)	31 August 2024 HK\$'000 (unaudited)
Hong Kong Profits Tax:		
— Current tax	—	—
Deferred tax expenses	—	—
	—	—

Hong Kong Profits Tax was not provided for during the Period as the Group has no estimated assessable profits arising in Hong Kong during the Period.

14. DIVIDEND

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

15. EARNINGS/(LOSS) PER SHARE

	Six months ended	
	31 August 2025 (unaudited)	31 August 2024 (unaudited) (Restated)
Earnings/(loss) for the purpose of basic and diluted earnings/(loss) per share:		
Earnings/(loss) for the period attributable to owners of the Company (HK\$'000)	18,279	(22,889)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share	60,000,000	48,535,032
Earnings/(loss) per share		
Basic and diluted (HK cents)	30.47	(47.16)

The basic and diluted earnings per share for the period ended 31 August 2024 have been restated to reflect the effect of the share consolidation and rights issue during the year ended 28 February 2025.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 August 2025

16. PROPERTY AND EQUIPMENT

	Computer equipment <i>HK\$'000</i>	Furniture and fixtures <i>HK\$'000</i>	Leasehold improvement <i>HK\$'000</i>	Office equipment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Cost					
As at 1 March 2024	861	491	3,487	100	4,939
Additions	—	—	—	—	—
As at 28 February 2025	861	491	3,487	100	4,939
Additions	7	—	—	—	7
As at 31 August 2025	868	491	3,487	100	4,946
Depreciation					
As at 1 March 2024	825	490	3,452	92	4,859
Charge for the year	17	1	33	5	56
As at 28 February 2025	842	491	3,485	97	4,915
Charge for the period	7	—	2	1	10
As at 31 August 2025	849	491	3,487	98	4,925
Carrying amount					
As at 31 August 2025	19	—	—	2	21
As at 28 February 2025	19	—	2	3	24

The above items of property and equipment are depreciated on a straight-line basis, at the following rates per annum:

Computer equipment	25%
Furniture and fixtures	25%
Leasehold improvement	Over shorter of the lease terms and 25%
Office equipment	25%

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 August 2025

17. RIGHT-OF-USE ASSETS

- (i) The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	As at	
	31 August 2025 HK\$'000 (unaudited)	28 February 2025 HK\$'000 (audited)
Properties leased for own use, carried at depreciated cost	1,210	1,131

- (ii) Amounts recognized in profit or loss:

	Six months ended	
	31 August 2025 HK\$'000 (unaudited)	31 August 2024 HK\$'000 (unaudited)
Depreciation of right of use assets	596	632

As at 31 August 2025 and 28 February 2025, the Group leased various offices for its operations. During the Period, the existing lease contracts were entered into for a fixed term of 2 years. Lease terms are negotiated on an individual basis and none of the leases include extension or termination options. In determining the lease terms and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

18. INTANGIBLE ASSET

	Stock Exchange trading rights HK\$'000
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COST AND CARRYING AMOUNTS

At 1 March 2024, 28 February 2025 and 31 August 2025	500
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Intangible asset is considered by the Directors as having an indefinite useful life because the Stock Exchange trading rights are expected to contribute to net cash inflows indefinitely.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 August 2025

19. ACCOUNTS RECEIVABLE

	As at	
	31 August 2025 HK\$'000 (unaudited)	28 February 2025 HK\$'000 (audited)
Accounts receivable arising from:		
— Corporate finance advisory services	537	204
— Securities dealing and brokerage services	32,633	29,487
— Securities financing services		
— Secured margin loan	22,354	13,432
— Placing and underwriting services	1,198	248
— Asset management services	170	65
Less: allowance for credit loss	(183)	(105)
	56,709	43,331

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

Accounts receivable arising from securities dealing and brokerage services are repayable two days after trade date.

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

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

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 August 2025

19. ACCOUNTS RECEIVABLE (CONTINUED)

In respect of the accounts receivable arising from the corporate finance advisory services, the securities dealing and brokerage services and the asset management services, the aging analysis based on trade date/invoice date as at 28 February 2025 and 31 August 2025 are as follows:

	As at	
	31 August 2025 HK\$'000 (unaudited)	28 February 2025 HK\$'000 (audited)
0–30 days	34,432	29,880
31–60 days	35	79
61–90 days	5	15
Over 90 days	66	30
Less: impairment allowance	(151)	(86)
	34,387	29,918

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

As at 31 August 2025, the accounts receivable arising from the asset management services, which was the amount due from Innovax Alpha SPC — Innovax Balanced Fund SP, being a related party as disclosed in note 33, was approximately HK\$71,000 (as at 28 February 2025: approximately HK\$65,000).

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 August 2025

20. LOAN RECEIVABLES

	As at	
	31 August 2025 HK\$'000 (unaudited)	28 February 2025 HK\$'000 (audited)
Secured loan receivables	9,000	10,300
Unsecured loan receivables	24,415	20,198
Less: impairment allowance	(768)	(701)
	32,647	29,797

The Group has provided money lending services in Hong Kong during the Period. The customers are mainly individuals. During the Period, the Group recorded an interest income from the money lending services of approximately HK\$1,058,000 (the Corresponding Period: approximately HK\$772,000), representing an increase of approximately 37.0% as compared with the Corresponding Period.

As at 31 August 2025, the secured loan receivables were secured by property units and carried interest at a fixed rate at from 8.5% to 9% (as at 28 February 2025: 8.5% to 9%) per annum, while the unsecured loan receivables carried interest at fixed and floating rate ranging from 3% to 15% (as at 28 February 2025: 3%–15%) per annum.

21. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at	
	31 August 2025 HK\$'000 (unaudited)	28 February 2025 HK\$'000 (audited)
Deposits with the Stock Exchange and a clearing house	230	722
Interest receivable	46	472
Prepayment	107	310
Utility deposit	448	457
Other receivables	1,153	1,056
	1,984	3,017
Analysed as		
Non-current	336	482
Current	1,648	2,535
	1,984	3,017

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 August 2025

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at	
	31 August 2025 HK\$'000 (unaudited)	28 February 2025 HK\$'000 (audited)
Financial assets measured at FVTPL		
— Equity securities listed in Hong Kong (<i>note (i)</i>)	60,465	37,190
— Equity securities listed outside Hong Kong (<i>note (i)</i>)	66	1,105
— Unlisted equity investment in Hong Kong (<i>note (ii)</i>)	5,855	5,855
— Unlisted fund investment in Hong Kong (<i>note (iii)</i>)	14,361	—
	80,747	44,150

Notes:

- (i) The fair value of the listed securities is determined based on closing market price available on the Stock Exchange.
- (ii) As at 31 August 2025, the Group held ordinary shares in two unlisted companies incorporated in Hong Kong. The Group acquired 5,000,000 shares at a consideration of RMB5,000,000 (equivalent to approximately HK\$5,355,000), representing approximately 9.09% of its equity interest in year ended 29 February 2024. The Group also acquired 500,000 shares in another unlisted company for a consideration of HK\$500,000, representing approximately 5.89% of its equity interest in year end 28 February 2025. The Group will continue to monitor these investments and consider disposal opportunities when appropriate.
- (iii) The fair value of the unlisted fund investment is determined with reference to the net asset value ("NAV") of the fund as provided in the latest NAV report issued by the fund administrator.

23. CASH AND BANK BALANCES

As at 31 August 2025, cash and bank balances, which mainly represent demand deposits and fixed deposits with an original maturity within 3 months at banks, were approximately HK\$67,753,000 (as at 28 February 2025: approximately HK\$97,197,000).

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 August 2025

24. CASH AND BANK BALANCES — HELD ON BEHALF OF CUSTOMERS

The Group maintains segregated trust accounts with authorised financial institutions to hold clients' monies arising from its normal course of business. The Group has classified the clients' monies as cash and bank balances — held on behalf of customers under the current assets section of the unaudited condensed consolidated statements of financial position and recognised the corresponding accounts payable (note 25) to respective clients on the ground that it is liable for any loss or misappropriation of clients' monies. The cash and bank balances — held on behalf of customers are restricted and governed by the Securities and Futures (Client Money) Rules under the SFO. The Group is not allowed to use the client's monies to settle its own obligations.

25. ACCOUNTS PAYABLE

	As at	
	31 August 2025 HK\$'000 (unaudited)	28 February 2025 HK\$'000 (audited)
Accounts payable arising from:		
— Securities dealing and brokerage services	147,585	162,815
— Placing and underwriting services	101	101
	147,686	162,916

The settlement terms of clearing house and securities trading clients from the ordinary course of business of the securities dealing and brokerage services range from one to two days after the trade date of those transactions. Accounts payable from the placing and underwriting services is repayable on demand.

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

As at 31 August 2025, accounts payable arising from the securities dealing and brokerage services also included those payables placed in segregated accounts with authorised financial institutions of approximately HK\$114,345,000 (as at 28 February 2025: approximately HK\$133,243,000).

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 August 2025

26. OTHER PAYABLES AND ACCRUALS

	As at	
	31 August 2025 HK\$'000 (unaudited)	28 February 2025 HK\$'000 (audited)
Other accrued expenses	2,067	1,151
Other payables	93	596
	2,160	1,747

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

27. CONTRACT LIABILITIES

	As at	
	31 August 2025 HK\$'000 (unaudited)	28 February 2025 HK\$'000 (audited)
Advisory fee	233	234

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

During the Period, advisory fee of approximately HK\$234,000 (the Corresponding Period: approximately HK\$302,000) that was included in the contract liabilities balance at the beginning of the Period was recognised as revenue.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 August 2025

28. LEASE LIABILITIES

	HK\$'000
As at 1 March 2024	330
Addition	2,075
Interest expenses	92
Lease payments	(1,240)
As at 28 February 2025	1,257
Addition	621
Interest expenses	40
Lease payment	(596)
Balance as at 31 August 2025	1,322

Future lease payments are due as follows:

	As at	
	31 August 2025 HK\$'000 (unaudited)	28 February 2025 HK\$'000 (audited)
Current liabilities	1,067	1,008
Non-current liabilities	255	249
	1,322	1,257

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 August 2025

29. SHARE CAPITAL

	Par value	Number of shares	Nominal amount HK\$'000
Ordinary shares			
Authorised:			
At 1 March 2024	HK\$0.01	1,000,000,000	10,000
Share consolidation (<i>note i</i>)	—	(900,000,000)	—
At 28 February 2025, 1 March 2025 and 31 August 2025	HK\$0.1	100,000,000	10,000
Issued and fully paid			
At 1 March 2024	HK\$0.01	400,000,000	4,000
Share consolidation (<i>note i</i>)	—	(360,000,000)	—
Rights issue (<i>note ii</i>)	HK\$0.1	20,000,000	2,000
At 28 February 2025, 1 March 2025 and 31 August 2025	HK\$0.1	60,000,000	6,000

Notes:

- (i) Pursuant to an ordinary resolution passed by the shareholders of the Company at an extraordinary general meeting on 23 October 2024, every ten issued and unissued shares of HK\$0.01 each in the share capital of the Company be consolidated into one share of HK\$0.1 each with effect from 25 October 2024 (the "Share Consolidation"). Immediately prior to the Share Consolidation, the authorised share capital of the Company was HK\$10,000,000 divided into 1,000,000,000 shares of par value of HK\$0.01 each, of which 400,000,000 then existing shares of par value of HK\$0.01 each were issued and fully paid or credited as fully paid. Immediately following the implementation of the Share Consolidation, the Company's authorised share capital becomes HK\$10,000,000 divided into 100,000,000 shares of par value of HK\$0.1 each, and its issued share capital becomes HK\$4,000,000 divided into 40,000,000 shares of par value of HK\$0.1 each.
- (ii) On 6 December 2024, the Company completed a rights issue on the basis of one rights share for every two existing shares at the subscription price of HK\$0.60 per rights share. The gross proceeds from the rights issue were approximately HK\$12,000,000 and the net proceeds were approximately HK\$11,671,000 after deducting the related expenses.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 August 2025

30. DEFERRED TAXATION

The deferred tax balances recognised by the Group and movement therein during the Period are as follows:

	Tax losses <i>HK\$'000</i>	Temporary difference on accumulated tax depreciation <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 March 2024	—	(357)	(357)
Charged to profit or loss for the year	—	—	—
At 28 February 2025 and 31 August 2025	—	(357)	(357)

31. SHARE OPTION SCHEME

The Company adopted a share option scheme (the “2018 Share Option Scheme”) pursuant to Chapter 17 of the Listing Rules on 24 August 2018, which was terminated on 18 August 2023. No further share option has been or will be granted under the 2018 Share Option Scheme since its termination, while the share options granted prior to such termination shall continue to be valid and exercisable in accordance with the 2018 Share Option Scheme.

The Company has adopted a new share option scheme pursuant to Chapter 17 of the Listing Rules on 18 August 2023 (the “Share Option Scheme”). The major terms of the Share Option Scheme are summarised as follows:

- i. The purpose of the Share Option Scheme is to motivate eligible participants to optimise their performance efficiency for the benefit of the Group; and attract and retain or otherwise maintain on-going business relationship with eligible participants whose contributions are or will be beneficial to the long-term growth of the Group.
- ii. The eligible participants of the Share Option Scheme include any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; any directors (including executive, non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries; any advisers (professional or otherwise), consultants, suppliers, customers and agents to the Company or any of its subsidiaries; and related entities who, in the sole opinion of the Board, will contribute or have contributed to the Company or any of its subsidiaries.
- iii. The maximum number of shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares.
- iv. An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date.

31. SHARE OPTION SCHEME (CONTINUED)

- v. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the Share Option Scheme. Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption.
- vi. There is no minimum period for which an option must be held before it can be exercised.
- vii. The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each eligible participant in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue as at the date of grant.
- viii. The subscription price of a share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of:
 - a. the official closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
 - b. the average of the official closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and
 - c. the nominal value of a share.

The estimated fair value of the options granted on the grant date is approximately HK\$6,738,000.

The fair value was measured using the Binomial Option Pricing model. The inputs used in the model were as follows:

Share Options granted on 9 March 2022:

Risk-free rate (continuous rate): 1.7201%

Share value as at the appraisal date: HK\$0.31 per share

Exercise Price: HK\$0.324

Expected tenor: 10 years

Volatility: 107.072%

Dividend yield: 0.00%

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 August 2025

31. SHARE OPTION SCHEME (CONTINUED)

The Binomial Option Pricing model has been used to estimate the fair value of the share options. The variables and assumptions used in the computing the fair value of the share options are based on the Directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

The volatility measured at the standard deviation of expected share price returns is based on the historical daily close price volatility of the Company.

The valuation was performed by Greater China Appraisal Limited, who is independent to the Group.

32. CONTINGENT LIABILITIES

As at 31 August 2025, the Group did not have any significant contingent liabilities.

33. RELATED PARTY TRANSACTIONS AND BALANCES

During the Period and the Corresponding Period, the Group entered into the following transactions with related parties:

	For the six months ended	
	31 August 2025 HK\$'000 (unaudited)	31 August 2024 HK\$'000 (unaudited)
Management fee income		
Innovax Alpha SPC — Innovax Balanced Fund SP (<i>Note</i>)	194	198
Interest income		
Mr. Chung Chi Man	75	—
Mr. Poon Siu Kuen, Calvin	85	11

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

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

	As at	
	31 August 2025 HK\$'000 (unaudited)	28 February 2025 HK\$'000 (audited)
Loan receivable		
— Mr. Chung Chi Man	1,500	1,513
— Mr. Poon Siu Kuen, Calvin	1,714	1,714

34. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure each group entity will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the Period.

The capital structure of the Group consists of debt and equity attributable to owners of the Company (comprising issued share capital and reserves).

The management of the Group reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group manages its overall capital structure through the payment of dividends and issuance of new shares.

Several subsidiaries of the Group (the "Regulated Subsidiaries") are registered with the SFC for the businesses in which they operate in. The Regulated Subsidiaries are subject to liquid capital requirements under the Securities and Futures (Financial Resources) Rules (the "SF(FR)R") adopted by the SFC. Under the SF(FR)R, the Regulated Subsidiaries must maintain their liquid capital (assets and liabilities adjusted as determined by the SF(FR)R) in excess of HK\$3 million or 5% of their total adjusted liabilities, whichever is higher. The required information is filed with the SFC on a regular basis.

35. FINANCIAL INSTRUMENTS

Fair value measurements

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the unaudited condensed consolidated statements of financial position approximate their fair values.

Financial risk management

The Group's risk management objectives are to achieve a proper balance between risks and yield and minimise the adverse impact of risks on the Group's operating performance. Based on these risk management objectives, the Group's risk management strategy is to identify and analyse the various risks the Group's exposed to, and to establish an appropriate tolerance for risk management practice, so as to monitor, notify and respond to the risks regularly and effectively and to control risks at an acceptable level. The principal financial risks inherent in the Group's business are market risk (includes interest rate risk and price risk), credit risk and liquidity risk. The Group's risk management objective is to enhance shareholders' value while retaining exposure within acceptable thresholds.

Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to fair value interest rate risk in relation to fixed-rate demand and fixed deposits, loan receivables and lease liabilities.

As at 31 August 2025 and 28 February 2025, the interest rate risk is considered to be limited because the Group's exposure to interest rate risk arising from the variable interest bearing assets is low. Accordingly, no sensitivity analysis on interest rate risk was presented.

Price risk

The Group is exposed to equity price risk through its investment in equity securities measured at FVTPL (note 22).

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 August 2025

35. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (Continued)

Credit risk and impairment assessment

Credit risk arises when a counterparty is unable or unwilling to meet a commitment that it has entered into with the Group. The Group's credit risk is primarily attributable to its accounts receivable from customers, loan and other receivables and cash and bank balances. As at 31 August 2025, the carrying amounts of financial assets at amortised cost represented the maximum credit exposure without taking into account of the collaterals held. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risks associated with accounts receivable arising from securities financing services and the secured loan receivables, is mitigated because they are secured by securities or property units.

As at 31 August 2025 and 31 August 2024, the Group recognised a loss allowance of approximately HK\$29,000 and approximately HK\$29,000 respectively on the accounts receivable arising from the securities financing services which are secured by collaterals.

The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and by monitoring exposures in relation to such limits. The Group evaluates the credit risk for each loan application on the basis of the repayment abilities of the customers having regard to their financial position, employment status, past due record and collaterals pledged to the Group.

Credits are granted according to the hierarchy of approval authorities within the Group. The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions.

The Group adopts a prudent approach to credit risk management framework. Its credit policy is timely revised to align with the prevailing credit environment which is continuously affected by changes in business, economy, regulatory requirements, money market, and social conditions.

In order to minimise the credit risk on secured margin financing, the management is responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts and receivables from margin clients with shortfalls in relation to the securities financing services. In addition, the Group requests securities collateral from individual margin client and the value of such securities collateral has to be maintained at certain level in proportion to the outstanding balance due from the margin client. The Group closely monitors the volatility of the market prices of the securities collateral taking into consideration of their current market prices and historical price movements, latest information and news of the related listed companies and other relevant factors regarding the financial market that may impact the market prices of the securities collateral. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

Monitoring of credit risk on accounts receivable from the corporate finance advisory services is performed by the management on an on-going basis.

As at 31 August 2025 and 28 February 2025, the Group has concentration of credit risk on accounts receivable due from 3 secured margin clients from the securities financing business as to approximately 39.4% and approximately 19.7% respectively of the total accounts receivable.

35. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (Continued)

Credit risk and impairment assessment (Continued)

For accounts receivable and contract assets arising from the corporate finance advisory services and other receivables, the Group applied expected loss rate based on that of counterparties with similar credit ratings, with adjustment to reflect current conditions and forecasts of future economic conditions through the use of financial market analysis and individual stock analysis, as appropriate. For loan receivables, the Group has assessed the customers' creditability to repay the loan by conducting various types of assessment. The Group has established a formal loan policy with clear credit review assessment and basis for determining the interest rate and terms depending on their performance and creditability. The Group's management is monitoring the credit risk closely and on an on-going basis.

Except for accounts receivable and contract assets arising from the securities financing services and the corporate finance advisory services and other receivables, as well as the loan receivables, the impairment allowance determined for other financial assets carried at amortised cost was insignificant during the Period.

The Group takes into consideration forward-looking information that is available without undue cost or effort in its assessment of significant increase in credit risk as well as in its measurement of ECL. The Group uses external and internal information to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information includes economic data and forecasts published by governmental bodies and monetary authorities.

The Group applies probabilities to the forecast scenarios identified. The base case scenario is the single most-likely outcome and consists of information used by the Group for strategic planning and budgeting. The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using a statistical analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The Group has not changed in the estimation techniques or significant assumptions during the last reporting period.

Liquidity risk

To manage the liquidity risk, the Group monitors and maintains a level of cash and bank balances deemed adequate by management of the Group to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 August 2025

35. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (Continued)

Fair value measurement

Some of the Group's financial instruments are measured at fair value for financial reporting purposes.

The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique and inputs used).

	Fair value as at 31 August 2025 HK\$'000 (unaudited)	Fair value as at 28 February 2025 HK\$'000 (audited)	Fair value hierarchy	Valuation technique and key inputs	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Financial assets at FVTPL						
— Listed equity investments	60,531	38,295	Level 1	Quoted bid price in an active market	N/A	N/A
— Unlisted equity investment	5,855	5,855	Level 3	Adjusted net asset method	Net assets	The higher the net asset, the higher the valuation
— Unlisted fund investment	14,361	—	Level 2	Net assets value	Net assets	The higher the net asset, the higher the valuation

Note:

The valuation of unlisted equity investment was determined by adjusted net asset method. The investment is made at fair value and of arm's length basis together with several other independent investors at the same value. It is still at preliminary development and research stage, no material change occurred between the investment date and reporting date.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 August 2025

35. FINANCIAL INSTRUMENTS (CONTINUED)

Analysis of financial instruments measured at fair value, at each reporting date by level in the fair value hierarchy into which the fair value measurement is categorised as follows:

Fair value hierarchy

	As at 31 August 2025			
	Level 1 HK\$'000 (unaudited)	Level 2 HK\$'000 (unaudited)	Level 3 HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Financial assets				
Financial assets measured at fair value through profit or loss				
— Listed equity securities	60,531	—	—	60,531
— Unlisted equity investment	—	—	5,855	5,855
— Unlisted fund investment	—	14,361	—	14,361
Total	60,531	14,361	5,855	80,747

	As at 28 February 2025			
	Level 1 HK\$'000 (audited)	Level 2 HK\$'000 (audited)	Level 3 HK\$'000 (audited)	Total HK\$'000 (audited)
Financial assets				
Financial assets measured at fair value through profit or loss				
— Listed equity securities	38,295	—	—	38,295
— Unlisted equity investment	—	—	5,855	5,855
Total	38,295	—	5,855	44,150

There were no transfers between Levels 1 and 2 for both years.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 August 2025

35. FINANCIAL INSTRUMENTS (CONTINUED)

Reconciliation of level 3 fair value measurements of financial assets is as below:

	Financial assets at fair value through profit or loss HK\$'000 (unaudited)
As at 1 March 2024	5,355
Addition	500
Disposal/redemption	—
Total gain in profit or loss	—
At 28 February 2025 and 1 March 2025	5,855
Addition	—
Disposal/redemption	—
Total gain in profit or loss	—
At 31 August 2025	5,855

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate to their fair values.

36. EVENT AFTER THE REPORTING PERIOD

On 10 October 2025, Mr. Wang Tingfa and the Company jointly announced (i) the acquisition of the entire issued shares in Billion Shine International Investment Limited by Mr. Wang Tingfa (the "Acquisition"); (ii) the possible unconditional mandatory cash offer to acquire all the issued shares of the Company (other than those already owned or agreed to be acquired by Mr. Wang Tingfa) (the "Offer") and (iii) the proposed disposal of Innovax Credit Limited and Innovax Management Limited (wholly-owned subsidiaries of the Company) to Maine Sky Limited, a company wholly-owned by Mr. Chung Chi Man, the chairman of the Board and an executive Director (the "Disposal"). As at the date of this interim report, the Acquisition and the Disposal have not been completed. The Offer will be made if the completion of the Acquisition takes place and the completion of the Disposal is conditional upon, among others, the passing of the ordinary resolutions of the Disposal by the independent shareholders at the extraordinary general meeting and the completion of the Acquisition. For details, please refer to the joint announcement dated 10 October 2025 jointly issued by Mr. Wang Tingfa and the Company.

37. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

The unaudited condensed consolidated financial statements for the Period were approved and authorised for issue by the Board on 28 October 2025.