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Private and Confidential

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

6 November 2024
Our ref: 081281/RI0824/0611

Dear Sirs

Innovax Holdings Limited (the “Company”)
Consent letter

We refer to the prospectus dated 6 November 2024 (the “Prospectus”) in connection with a proposed rights issue (the “Proposed Rights Issue”), a final proof of which is attached and initialled by us on its front cover for the purpose of identification. Terms and definitions used in this letter have the same meaning as those in the Prospectus.

We hereby consent to the inclusion of (i) our accountants’ report dated 6 November 2024 on the unaudited pro forma financial information of the Group as set out in Appendix II to the Prospectus; and (ii) the references to our name in the form and context in which they are included.

We also hereby consent to a copy of this letter and the above-named report being published on the HKEX’s website and the Company’s own website as described in the paragraph headed “DOCUMENTS ON DISPLAY” in Appendix III to the Prospectus.

Yours faithfully
BDO Limited

MKC/EYK/ALM/sw

Encl

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed "14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG" in Appendix III to this Prospectus, has been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

Dealings in the Shares and the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your stockbroker or licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings in the Rights Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.



INNOVAX HOLDINGS LIMITED

創陞控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2680)



PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE

Financial Adviser to the Company



Placing Agent



Capitalised terms used in this cover page shall have the same meanings as those defined in this Prospectus unless otherwise stated.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. There is no statutory requirement regarding minimum subscription level in respect of the Rights Issue. The Rights Issue is subject to the fulfilment of conditions set out in the section headed "Letter from the Board – Conditions of the Rights Issue" in this Prospectus. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers. If the Rights Issue is not fully subscribed, the Rights Shares not taken up by the Qualifying Shareholders will be placed to independent Placers under the Compensatory Arrangements. Any Unsubscribed Rights Shares and ES Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

Dealings in the Rights Shares in the nil-paid form will take place from Friday, 8 November 2024 to Friday, 15 November 2024 (both days inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Friday, 8 November 2024 to Friday, 15 November 2024 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

The latest date and time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Wednesday, 20 November 2024.

6 November 2024

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DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Announcement”	the announcement of the Company dated 26 September 2024, in relation to, among other things, Share Consolidation and the proposed Rights Issue
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“BSI”	BILLION SHINE INTERNATIONAL INVESTMENT LIMITED (百陽國際投資有限公司), a limited liability company incorporated in the BVI and is wholly-owned by Mr. Chung, being one of the Controlling Shareholders
“Business Day”	a day (excluding Saturday and Sunday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Act”	the Companies Act (Revised) of the Cayman Islands
“Company”	Innovax Holdings Limited (創隆控股有限公司), a company incorporated in the Cayman Islands with limited liability whose issued share are listed on the Stock Exchange (stock code: 2680)
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“Compensatory Arrangements”	placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules

DEFINITIONS

“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company for the time being
“ES Unsold Rights Shares”	the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form that have not been sold by the Company
“Excluded Shareholder(s)”	those Overseas Shareholder(s) to whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“FINI”	“Fast Interface for New Issuance”, an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listings
“General Rules of HKSCC”	the terms and conditions regulating the use of CCASS as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“Greater China”	PRC, Hong Kong, Macau and Taiwan
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Operational Procedures”	the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC’s services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Third Party(ies)”	any individual(s) or company(ies) independent of the Company and its connected persons and not connected with any of them or their respective associate(s)
“Last Trading Day”	26 September 2024, being the last trading day of the Shares on the Stock Exchange immediately prior to the publication of the Announcement
“Latest Practicable Date”	30 October 2024, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 20 November 2024, being the latest time for acceptance of the offer of and payment for the Rights Shares
“Latest Time for Termination”	5:00 p.m. on Tuesday, 3 December 2024 or such later time as may be agreed between the Company and the Placing Agent in writing
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chung”	Mr. Chung Chi Man, the executive Director and the Controlling Shareholder, who is the ultimate beneficial owner of 30,000,000 Shares through BSI as at the Latest Practicable Date
“Net Gain”	the aggregate of any premium (being the aggregate amount paid by the Placees after deducting (i) the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and the ES Unsold Rights Shares placed by the Placing Agent; and (ii) the aggregate amount of the expenses of the Placing Agent and any other related expenses/fees under the Placing Agreement) under the Compensatory Arrangements
“No Action Shareholder(s)”	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s) or their renounces, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed

DEFINITIONS

“Old Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company prior to the Share Consolidation having become effective
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) on the register of members of the Company on the Record Date are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placees”	individuals, corporate, institutional investors or other investors, procured by the Placing Agent and/or its sub-placing agents to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares pursuant to the Placing Agreement
“Placing”	arrangements to place the Unsubscribed Rights Shares and the ES Unsold Rights Shares on a best effort basis pursuant to the Placing Agreement
“Placing Agent”	Innovax Securities Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 26 September 2024 entered into between the Company and the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares
“PRC”	the People’s Republic of China and for the purpose of this Prospectus, excluding Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“Prospectus”	the prospectus (including any supplementary prospectus, if any) despatched to the Qualifying Shareholders (and the Excluded Shareholder(s) for information only) in connection with the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL(s)
“Prospectus Posting Date”	Wednesday, 6 November 2024 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders and the Prospectus for information only to the Excluded Shareholders

DEFINITIONS

“Public Float Requirement”	the public float requirement under Rule 8.08 of the Listing Rules
“Public Shareholders”	Shareholders other than (i) core connected persons; and (ii) such other persons who are set out under Rule 8.24 of the Listing Rules
“Qualifying Shareholder(s)”	Shareholder(s), whose names appear on the register of members of the Company as at the Record Date, other than the Excluded Shareholder(s)
“Record Date”	Tuesday, 5 November 2024, or on such other date as the Company may determine, being the date by reference to which entitlements to the Rights Issue will be determined
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares for subscription by the Qualifying Shareholders on the basis of one (1) Rights Shares for every two (2) Shares in issue and held on the Record Date at the Subscription Price payable in full on application and otherwise on the terms and subject to the conditions set out in the Prospectus Documents
“Rights Share(s)”	up to 20,000,000 new Shares to be allotted and issued pursuant to the Rights Issue
“Scale-down PAL Shares”	such number of Rights Shares applied for under the PAL(s) which would, if allotted by the Company, result in the incurring an obligation to make a general offer for the Shares under the Takeovers Code or failure to comply with the Public Float Requirement on the part of the Company
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of nominal value of HK\$0.1 each in the share capital of the Company

DEFINITIONS

“Share Consolidation”	the consolidation of every ten (10) issued Old Shares into one (1) Share, which became effective on Friday, 25 October 2024
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.60 per Rights Share
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC
“Unsubscribed Rights Shares”	the Rights Shares that are not subscribed by the Qualifying Shareholders
“US”	United States of America
“%”	per cent

TIMETABLE

Set out below is the expected timetable for the Rights Issue which is indicative only and has been prepared on the assumption that the conditions of the Rights Issue will be fulfilled. All times and dates in this Prospectus refer to Hong Kong local times and dates. The expected timetable is subject to change. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate.

Event	Time and Date (Hong Kong time)
Despatch of the Prospectus Documents to the Qualifying Shareholders (including the PAL and Prospectus) (in the case of the Excluded Shareholder(s), the Prospectus only).	Wednesday, 6 November 2024
Designated broker starts to stand in the market to provide matching services for odd lots of the Shares.	9:00 a.m. on Friday, 8 November 2024
First day of dealings in nil-paid Rights Shares in board lots of 2,000 Rights Shares	Friday, 8 November 2024
Latest time for splitting of PAL.	4:30 p.m. on Tuesday, 12 November 2024
Last day of dealings in nil-paid Rights Shares in board lots of 2,000 Rights Shares	Friday, 15 November 2024
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Wednesday, 20 November 2024
Announcement of the number of Unsubscribed Rights Share and ES Unsold Rights Shares subject to Compensatory Arrangements.	Monday, 25 November 2024
Commencement of placing of Unsubscribed Rights Share and ES Unsold Rights Shares by the Placing Agent.	Tuesday, 26 November 2024
Designated broker ceases to stand in the market to provide matching services for odd lots of the Shares.	4:00 p.m. on Thursday, 28 November 2024
Latest time of placing of Unsubscribed Rights Shares and ES Unsold Rights Shares by the Placing Agent.	4:00 p.m. on Monday, 2 December 2024
Latest time for termination of the Placing Agreement for the Rights Issue to become unconditional	5:00 p.m. on Tuesday, 3 December 2024

TIMETABLE

Event	Time and Date (Hong Kong time)
Announcement of results of the Rights Issue (including results of the Placing and the Net Gain per Unsubscribed Rights Share and ES Unsold Rights Share under the Compensatory Arrangements)	Thursday, 5 December 2024
Refund cheques, if any, to be despatched (if the Rights Issue does not proceed)	Friday, 6 December 2024
Share certificates for fully-paid Rights Shares to be despatched	Friday, 6 December 2024
Commencement of dealings in fully-paid Rights Shares in the board lots of 2,000 Shares	Monday, 9 December 2024
Payment of Net Gain to relevant No Action Shareholders (if any) or Excluded Shareholder(s) (if any)	Friday, 13 December 2024

Note: The Company wishes to clarify that the latest time for termination of the Placing Agreement for the Rights Issue to become unconditional is on 5:00 p.m. on Tuesday, 3 December 2024 instead of 4:00 p.m. on Tuesday, 3 December 2024 as set out in the Announcement.

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares will not take place at the time indicated above if there is a tropical cyclone warning signal number 8 or above, or “extreme conditions” caused by super typhoon as announced by the Government of Hong Kong, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the day on which the Latest Time for Acceptance is initially scheduled to fall. Instead, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the day on which the Latest Time for Acceptance is initially scheduled to fall. Instead, the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on or before 4:00 p.m. on Wednesday, 20 November 2024, the dates mentioned herein may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable of the Rights Issue as soon as practicable.

LETTER FROM THE BOARD



INNOVAX HOLDINGS LIMITED

創陞控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2680)

Executive Directors:

Mr. Chung Chi Man (*Chairman*)

Mr. Poon Siu Kuen, Calvin (*Chief Executive Officer*)

Independent non-executive Directors:

Dr. Wu Kwun Hing

Mr. Kwong Hon Nan, Eric

Ms. Chan Ka Lai, Vanessa

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Headquarters and principal place of
business in Hong Kong:*

Unit A-C, 20/F

Neich Tower

128 Gloucester Road

Wanchai

Hong Kong

6 November 2024

To the Qualifying Shareholders and, for information only, the Excluded Shareholders

Dear Sir/Madam,

PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Rights Issue on the basis of one (1) Rights Share for every two (2) Shares held on Record Date at the Subscription Price of HK\$0.60 per Rights Share.

The Rights Issue is not underwritten.

The purpose of this Prospectus is to provide you with information relating to (i) the Rights Issue; (ii) the financial information of the Group; and (iii) general information of the Group.

LETTER FROM THE BOARD

PROPOSED RIGHTS ISSUE

The Board proposes the Rights Issue, details of which are summarised below:

Issue statistics

Basis of the Rights Issue:	One (1) Rights Share (in nil-paid form) for every two (2) Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription price:	HK\$0.60 per Rights Share
Net price per Rights Share (i.e. Subscription Price less estimated expenses incurred in relation to the Rights Issue):	Approximately HK\$0.57 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	40,000,000 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue:	Up to 20,000,000 Rights Shares
Aggregate nominal value of the Rights Shares:	Up to HK\$2,000,000
Total number of Shares in issue upon completion of the Rights Issue (assuming that the Rights Issue is fully subscribed):	Up to 60,000,000 Shares (assuming no new Shares (other than the Rights Shares) will be allotted and issued and no repurchase of Shares on or before the completion of the Rights Issue)
Gross proceeds from the Rights Issue:	Up to HK\$12,000,000 (assuming all the Rights Shares will be taken up)

As at the Latest Practicable Date, the Group had no outstanding derivatives, options, warrants, convertible or exchangeable securities carrying rights to subscribe for, convert or exchange into Shares. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

The 20,000,000 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents approximately 50.0% of the existing issued share capital of the Company as at the Last Practicable Date; and approximately 33.3 % of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares (assuming all the Rights Shares will be taken up).

LETTER FROM THE BOARD

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully subscribed, the Rights Shares not taken up by the Qualifying Shareholders will be placed to independent Placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares and ES Unsold Rights Shares which remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue. There is also no statutory requirement regarding minimum subscription level in respect of the Rights Issue.

The Board understands that in the event the Unsubscribed Rights Shares and the ES Unsold Rights Shares are fully-underwritten, the underwriting commission charged by independent underwriters is generally much higher than the commission charged for placing on a best effort basis. Despite the fact that there is no guarantee for the minimum amount to be raised by the Rights Issue under the non-underwritten basis, the Placing Agent will place any Unsubscribed Rights Shares together with the ES Unsold Rights Shares on a best effort basis to independent placees. In view of the above and having considered (i) the cost-effectiveness of the Rights Issue; (ii) the Placing arrangement in place; and (iii) the discount on the Subscription Price which will provide incentive for the Qualifying Shareholders to subscribe for the Rights Shares, the Board considers that the Rights Issue on a non-underwritten basis is in the interest of the Company and its Shareholders as a whole.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s), or transferees of nil-paid Rights Shares (or either of them, whichever shall be appropriate), may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or may result in the non-compliance by the Company of the Public Float Requirement (i.e. the public float of the Company decreases to below 25.0%). Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which (i) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules; and or (ii) does not result in the non-compliance of the Public Float Requirement on the part of the Company. Any subscription monies for the Scale-down PAL Shares will be refunded to the applicants.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the public float of the Company is 25%. If Qualifying Shareholders other than Public Shareholders apply to take up all or part of its entitlement under the PAL and the Public Shareholders do not take up all or part of their entitlement under the PAL, it may unwittingly cause the public float of the Company to decrease to below 25%. Accordingly, the Rights Issue will be made on terms that the application of Qualifying Shareholders other than Public Shareholders for their assured entitlement under the PAL will be scaled down to a level which does not cause the Company's public float to decrease to below 25% upon completion of the Rights Issue.

The Irrevocable Undertakings

As at the Latest Practicable Date, the Company has not received any information or undertaking from any Shareholder of their intention as to whether such Shareholder will take up his/her entitlements under the Rights Issue.

Subscription Price

The Subscription Price is HK\$0.60 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of the Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 60.86% to the closing price of HK\$1.533 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 67.39% to the theoretical closing price of HK\$1.84 per Share based on the closing price of HK\$0.184 per Old Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 68.35% to the theoretical average of the closing price of HK\$1.896 per Share based on the average closing price of HK\$0.1896 per Old Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 70.13% to the theoretical average of the closing price of approximately HK\$2.009 per Share based on the average closing price of HK\$0.2009 per Old Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;

LETTER FROM THE BOARD

- (v) a discount of approximately 59.02% to the theoretical ex-rights price of approximately HK\$1.464 per Share based on the theoretical benchmarked price of approximately HK\$1.896 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.184 per Old Share and the average closing prices of approximately HK\$0.1896 per Old Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the Last Trading Day);
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 22.78%, represented by the theoretical diluted price of approximately HK\$1.464 per Share to the theoretical benchmarked price of HK\$1.896 per Share; and
- (vii) a discount of approximately 88.59% to the audited consolidated net asset value per Share of approximately HK\$5.26 as at 29 February 2024 (based on the latest published audited consolidated net asset value attributable to Shareholders of approximately HK\$210,489,000 and 40,000,000 Shares in issue as at the Latest Practicable Date.

The Subscription Price was determined with reference to (i) the market price of the Shares under the prevailing market conditions; (ii) the financial position of the Group; (iii) the low trading volume of the Shares during the Relevant Period (as defined below); and (iv) the reasons as discussed in the section headed “Reasons for and benefits of the Rights Issue and use of proceeds” in this Prospectus.

In determining the Subscription Price, which represents a discount of approximately 67.39% to the theoretical closing price of HK\$1.84 per Share based on the closing price of HK\$0.184 per Old Share as quoted on the Stock Exchange on the Last Trading Day, the Directors have considered, among other things as mentioned above, market price of the Shares traded on the Stock Exchange in the past three months prior to and including the Last Trading Day (the “**Relevant Period**”), as a benchmark to reflect the prevailing market conditions and recent market sentiment. During the Relevant Period, the Shares were traded on the Stock Exchange with an average closing price of approximately HK\$0.307 per Old Share. The Subscription Price of HK\$0.60 per Rights Share represents a discount of approximately 80.47% to the theoretical average closing price of approximately HK\$3.07 per Share based on the average closing price of approximately HK\$0.307 per Old Share for the Relevant Period. In addition, during the Relevant Period, the daily closing price of the Old Shares demonstrated a general downward trend from HK\$0.38 per Old Share on 27 June 2024 to HK\$0.184 per Old Share on the Last Trading Day with an average daily trading volume amounting to approximately 0.004% of the issued Old Shares as at the Last Trading Day, indicating a lack of liquidity and demand for the Old Shares. Furthermore, the Old Share has been trading substantially below the net assets value of the Company (based on the average closing price of HK\$0.307 per Old Share during the Relevant Period and the latest published audited consolidated net asset value attributable to Shareholders per Old Share of approximately HK\$0.526 as at 29 February 2024.

LETTER FROM THE BOARD

In view the above and having considered (i) all Qualifying Shareholders are provided with an equal opportunity to subscribe for their assured entitlements under the Rights Issue at a relatively low price as compared to the historical market price of the Shares and at a discount to the recent closing prices of the Shares; (ii) the discount of the Subscription Price will encourage the Qualifying Shareholders to participate in the Rights Issue and the future growth of the Group; and (iii) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue are able to sell the nil-paid Rights Shares in the market. As such, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the Directors consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, shall rank *pari passu* in all respects with the Shares then in issue, including the right to receive all future dividends and other distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares in their fully-paid form.

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders and will not be available to the Excluded Shareholders on the Record Date. Subject to the Share Consolidation having become effective and the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date. The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, despatch the Prospectus (without the PAL) to the Excluded Shareholders (if any) for their information only.

To qualify for the Rights Issue, a Shareholder:

- (i) must be registered as a member of the Company at the close of business on the Record Date; and
- (ii) is not an Excluded Shareholder.

In order to be registered as members of the Company on the Record Date, a Shareholder must have lodged the transfers of Shares (together with the relevant share certificates) with the Registrar for registration by no later than 4:30 p.m. on Tuesday, 29 October 2024.

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Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies (or which are deposited in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

The latest time for acceptance of and payment for the Rights Shares is expected to be at 4:00 p.m. on Wednesday, 20 November 2024.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Rights of Overseas Shareholders (if any)

The Prospectus Documents to be issued in connection with the Rights Issue will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

According to the register of members of the Company as at the Latest Practicable Date, the Company does not have any Overseas Shareholders. As disclosed in the Announcement, the register of members of the Company was closed from Wednesday, 30 October 2024 to Tuesday, 5 November 2024 (both days inclusive), therefore, the Company will not have Overseas Shareholders as at the Record Date.

The Company will send the Prospectus to the Excluded Shareholders for their information only but will not send the PALs to them.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders in their nil-paid form to be sold in the market as soon as practicable after dealings in the nil-paid Rights Shares commence and in any event before the last day for dealings in nil-paid Rights Shares if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, will be paid pro-rata (rounded down to the nearest cent) to the relevant Excluded Shareholders in Hong Kong dollars. In view of the administrative costs, the Company will retain individual amounts of less than HK\$100 for its own benefit.

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Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, the Overseas Shareholders should exercise caution when dealing in the Shares.

Procedures in respect of the Unsubscribed Rights Shares and the ES Unsold Rights Shares, and the Compensatory Arrangements

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by offering the Unsubscribed Rights Shares and the ES Unsold Rights Shares to independent Placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

The Company has therefore appointed the Placing Agent to place the Unsubscribed Rights Shares and the ES Unsold Rights Shares after the Latest Time for Acceptance to independent Placees on a best effort basis, and any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related expenses/fees), that is realised from the Placing will be paid to the No Action Shareholders and Excluded Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Monday, 2 December 2024, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the ES Unsold Rights Shares at a price not less than the Subscription Price. Any Unsubscribed Rights Shares and the ES Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) on a pro-rata basis (based on all Unsubscribed Rights Shares and ES Unsold Rights Shares) to the No Action Shareholders and Excluded Shareholders (but rounded down to the nearest cent) as set out below:

- (i) the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and
- (ii) the relevant Excluded Shareholders with reference to their shareholdings in the Company on the Record Date.

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It is proposed that Net Gain of HK\$100 or more to the individual No Action Shareholder mentioned above will be paid to them in Hong Kong Dollars only and the Company will retain individual amount of less than HK\$100 for its own benefit. Shareholders are reminded that Net Gain may or may not be realised and, accordingly, the No Action Shareholders and the Excluded Shareholders may or may not receive any Net Gain.

Basis of provisional allotments

The Rights Shares will be allotted on the basis of one (1) Rights Share for every two (2) Shares in issue and held by the Qualifying Shareholders at the close of business on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance. Any holdings (or balance of holdings) of less than two (2) Shares will not entitle their holders to be provisionally allotted a Rights Share. Please refer to the arrangement as referred to in the section headed "Fractional entitlements to the Rights Shares" below.

Fractional entitlements to the Rights Shares

The Company will not provisionally allot and will not accept application for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number of a Share) and sold by the Company in the open market if a premium (net of expenses) can be obtained. Any of the Rights Shares remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Procedures for acceptance and payment or transfer

A PAL will be sent to the Qualifying Shareholder(s) by post in printed form which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown therein.

If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Registrar at Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by not later than 4:00 p.m. on Wednesday, 20 November 2024 (or, under bad weather conditions, such later time and/or date as mentioned in the section headed "Expected timetable – Effect of bad weather and/or extreme conditions on the Latest Time for Acceptance of and Payment for the Rights Shares"). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "INNOVAX SECURITIES LIMITED – CLIENT A/C" and crossed "ACCOUNT PAYEE ONLY".

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It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Wednesday, 20 November 2024, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole and absolute discretion, treat a PAL as valid and binding on the person by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Tuesday, 12 November 2024 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, after 9:00 a.m. on the second business day after the surrender of the original PAL. It should be noted that stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

Share certificates of the Rights Shares and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, (i) share certificates for all fully-paid Rights Shares or (ii) refund cheques (if the Rights Issue does not proceed) are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on or before Friday, 6 December 2024.

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Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding the Overseas Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares otherwise falling to be issued to them under the Rights Issue under the laws of jurisdictions in which they are liable to taxation. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

Application for listing

The Company has made an application to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. Nil-paid Rights Shares are expected to be traded in same board lot size as the Shares, i.e., 2,000 Shares in one board lot. No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in or on any other stock exchange.

Stamp duty and other applicable fees

Dealings in the Rights Shares (in both their nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange, or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests if they are in any doubt.

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Odd lots arrangements and matching services

To alleviate the difficulties in trading odd lots of the Shares arising from the Rights Issue, the Company has appointed Innovax Securities Limited as the designated broker to provide matching services, on a best effort basis, to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Friday, 8 November 2024 to 4:00 p.m. on Thursday, 28 November 2024 (both days inclusive). Holders of the odd lots of the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up to a full board lot may contact Mr. Wen (Settlement Department) at (852) 2311 0287, Unit A-C, 20/F, Neich Tower, 128 Gloucester Road, Wanchai, Hong Kong during such period. Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

THE PLACING AGREEMENT

On 26 September 2024 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed as agent of the Company (either by itself or through its sub-placing agents) to procure Placees who are third parties independent of and not connected with the Company and its connected persons (or any of their respective associate), on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares. Details of the Placing Agreement are as follows:

Date:	26 September 2024 (after trading hours)
Issuer:	The Company
Placing Agent:	Innovax Securities Limited
	The Placing Agent is a wholly-owned subsidiary of the Company
Fees and expenses:	1.0% of the amount which is equal to the placing price multiplied by the Unsubscribed Rights Shares and the ES Unsold Rights Shares that are successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement and reimbursed for the expenses in relation to the Placing, which the Placing Agent is authorised to deduct from the payment to be made by the Placing Agent to the Company at completion.
Placing price of the Unsubscribed Rights Shares and the ES Unsold Rights Shares:	The placing price of the Unsubscribed Rights Shares and the ES Unsold Rights Shares shall be at least equal to the Subscription Price. The final price is dependent on the demand and market conditions of the Unsubscribed Rights Shares and the ES Unsold Rights Shares during the process of placement.

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- Placees: The individuals, corporate, institutional investors or other investors procured by the Placing Agent and/or its sub-placing agents to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares.
- Ranking of the Unsubscribed Rights Shares and ES Unsold Rights Shares: The Unsubscribed Rights Shares and ES Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the Shares then in issue.
- Termination: The Placing shall end on Tuesday, 3 December 2024 or any other date by mutual written agreement between the Placing Agent and the Company.
- The Placing Agent shall be entitled by notice in writing to the Company given prior to 5:00 p.m. on Tuesday, 3 December 2024 to terminate the Placing Agreement if any of the following events occur:
- (i) any material breach of any of the representatives and warranties by the Company under the Placing Agreement;
 - (ii) any suspension in the trading of the Shares on the Stock Exchange due to exceptional financial circumstances;
 - (iii) any force majeure occurrence which would be likely to result in the Company and the Placing Agent being unable to fulfill their respective duties and responsibilities under the Placing Agreement; and
 - (iv) any material adverse change in the business and operational environment in the Company which, in the sole opinion of the Placing Agent, may make them inadvisable to continue the engagement.
- Conditions precedent: The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled (or being waived by the Placing Agent in writing, if applicable):
- (i) the Share Consolidation becoming effective;

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- (ii) the Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares (including the Unsubscribed Rights Shares and ES Unsold Rights Shares);
- (iii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and
- (iv) the Placing Agreement not having been terminated in accordance with the provisions thereof.

The conditions precedent (i), (ii) and (iv) above shall not be waived by any party to the Placing Agreement, while the condition precedent (iii) above may be waived by the Placing Agent (but not by the Company) unilaterally in writing to the Company at any time prior to 5:00 p.m. on Tuesday, 3 December 2024. In the event any of the conditions precedent above not having been satisfied or fulfilled (or waived in accordance with the foregoing provisions of this paragraph) on or before 5:00 p.m. on Tuesday, 3 December 2024 (or such later date as may be agreed between the parties in writing), all rights, obligations and liabilities of the respective parties shall cease and terminate and no party shall have any claim against the other party save for any antecedent breach of the Placing Agreement prior to such termination.

Completion:

Placing completion shall take place on Friday, 6 December 2024 or such other date as the Company and the Placing Agent may agree in writing.

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The Placing Agent shall ensure that the Unsubscribed Rights Shares and ES Unsold Rights Shares are placed (i) only to institutional, corporate or individual investors who and whose ultimate beneficial owners shall be Independent Third Parties; (ii) such that no Placee shall become a substantial Shareholder immediately following the Placing; (iii) such that the Placing will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and (iv) such that the Placing will not result in the Company incapable of complying with the Public Float Requirement under the Listing Rules immediately following the Placing.

The Company will continue to comply with the Public Float Requirement and the Placing will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing. The engagement between the Company and the Placing Agent for the placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares was determined after arm's length negotiations between the Placing Agent and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the market conditions. The Board considers the terms of the Placing for the Unsubscribed Rights Shares and ES Unsold Rights Shares (including the commission payable) are on normal commercial terms.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and ES Unsold Rights Shares; and (ii) a compensatory mechanism for No Action Shareholders and the Excluded Shareholders, the Board considers that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority shareholders.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (i) the passing by the Shareholders at the EGM of an ordinary resolution to approve the Share Consolidation by no later than the Prospectus Posting Date;
- (ii) the Share Consolidation having become effective no later than the Prospectus Posting Date;
- (iii) the electronic delivery to the Stock Exchange for authorisation and registration with the Companies Registry in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorized in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) in compliance with the Companies (WUMP) Ordinance and the Listing Rules by no later than the Prospectus Posting Date;

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- (iv) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus to the Excluded Shareholders, if any, for information purpose only on or before the Prospectus Posting Date;
- (v) the Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked, listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid form;
- (vi) the Placing Agreement not being terminated; and
- (vii) the Company having complied with the requirements under all applicable laws and regulations.

As at the Latest Practicable Date, conditions (i) and (ii) above had been fulfilled. None of the above conditions can be waived. The Company shall use all reasonable endeavours to procure the fulfilment of all the above conditions by the respective dates specified above. If any of the conditions referred to above are not fulfilled on or before the Latest Time for Termination, the Rights Issue will not proceed.

SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue, assuming all Rights Shares are subscribed by the Qualifying Shareholders; and (iii) immediately after completion of the Rights Issue, assuming no Qualifying Shareholder takes up any of the Rights Shares and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent:

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue			
			Assuming all Rights Shares are subscribed by the Qualifying Shareholders		Assuming no Qualifying Shareholder takes up any of the Rights Shares and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
BSI	30,000,000	75.00	45,000,000	75.00	30,000,000	50.00
Public Shareholders	10,000,000	25.00	15,000,000	25.00	10,000,000	16.67
Placees (Note 1)	—	—	—	—	20,000,000	33.33
Total	<u>40,000,000</u>	<u>100.00</u>	<u>60,000,000</u>	<u>100.00</u>	<u>60,000,000</u>	<u>100.00</u>

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Notes:

1. Pursuant to the Placing Agreement, the Placing Agent shall ensure that the Unsubscribed Rights Shares and ES Unsold Rights Shares are placed (i) only to institutional, corporate or individual investors who and whose ultimate beneficial owners shall be Independent Third Parties; (ii) such that no Placee shall become a substantial Shareholder immediately following the Placing; (iii) such that the Placing will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and (iv) such that the Placing will not result in the Company incapable of complying with the Public Float Requirement under the Listing Rules immediately following the Placing. Therefore, the Unsubscribed Rights Shares and ES Unsold Rights Shares will form part of the public float of the Company.
2. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is an integrated financial and securities services provider. Its services cover corporate finance advisory services including (i) IPO sponsorship services; (ii) financial and independent financial advisory services; and (iii) compliance advisory services, placing and underwriting services, dealing and brokerage services for securities trading and futures contracts trading, securities financing services, research services, asset management services and money lending services.

In recent years, Hong Kong financial market was full of uncertainties and challenges. The interest rate hikes, continuing geopolitical tensions and other macro challenges marked a difficult period with investors taking more cautious approach under the weak market sentiment. Therefore, the Group recorded net losses of approximately HK\$22.5 million and HK\$6.6 million for the two years ended 28 February 2023, respectively, and a thin net profit of approximately HK\$1.8 million for the year ended 29 February 2024. In addition, the Group recorded a loss attributable to owners of the Company of approximately HK\$22.9 million for the six months ended 31 August 2024, as compared to the profit of the corresponding period in 2023 of approximately HK\$9.3 million.

As the US Federal Reserve announced to lower its benchmark interest rate in September 2024 indicating the end of hiking cycle, investor sentiment has improved. The Hong Kong's initial public offering (IPO) market has shown signs of gradual recovery with over 100 new applications so far this year. To maintain sustainable growth and capture business opportunities as a result of recovery of market sentiment, the Group intends to (i) expand its placing and underwriting service by undertaking more equity placing and underwriting projects at one time, taking up underwriting commitment of projects with a larger fund-raising scale and expanding coverage to debt capital market and (ii) expand its fund management service by setting up new investment funds.

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According to the interim results announcement of the Company for the six months ended 31 August 2024 (the “**2024 Interim Results Announcement**”), the cash and bank balances were approximately HK\$83.5 million as at 31 August 2024 and such cash resources are not idle. Based on the current business plan, the Group intends to apply:

- (i) approximately HK\$30.0 million (inclusive of HK\$5.7 million of the net proceeds of the Rights Issue) to expand the placing and underwriting business. In respect of IPO fund raising transactions, the Group intends to (a) take up more senior role such as global co-ordinator and/or bookrunner among the underwriting syndicates and a leading role with a higher percentage of underwriting commitment to lead the underwriting syndicates, or take up the role as a sole underwriter of a fund raising project; (b) take up underwriting commitment of projects with a larger fund raising scale; and (c) take up more placing and underwriting opportunities at one time. The Group will also continue to explore business opportunities for acting underwriter for other non-IPO fund raising transactions, such as rights issue and open offer of listed companies on the Stock Exchange and issue of bonds by listed or unlisted companies. According to the 2024 Interim Results Announcement, the number of completed placing and underwriting projects increased from six for the six months ended 31 August 2023 to 18 for the six months ended 31 August 2024, among which 15 transactions were related to issue of bonds by unlisted corporations. As the placing and underwriting service is capital intensive, with improving market sentiment, the Group needs to earmark sufficient financial resources before committing to any underwriting obligations to capture business opportunities from time to time;
- (ii) approximately HK\$30.0 million to securities financing business;
- (iii) approximately of HK\$20.0 million (inclusive of HK\$3.4 million of the net proceeds of the Rights Issue) as maximum sum of seed money for four new investment funds. The Group plans to expand the fund management services by setting up venture capital fund, hedge fund, pre-IPO fund and private equity fund by the end of 2024. In respect of the seed money for such investment funds to be established, the Group intends to invest in (a) venture capital fund: technology-related companies in the Greater China region. Such companies are either startups or at the growing stage; (b) hedge fund: major secondary market in Hong Kong, the PRC and the US. Investments may be made in equity securities, related derivatives or in American Depositary Receipt or Global Depositary Receipt; (c) pre-IPO fund: companies in Greater China region seeking initial public offerings; and (d) private equity fund: technology-related companies located other than Greater China region; and
- (iv) approximately HK\$10.0 million (inclusive of HK\$2.3 million of the net proceeds of the Rights Issue) to general working capital.

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In view of the abovementioned business expansion plan and the unsatisfactory financial performance over the past few years, the Directors consider that it is commercially reasonable and justifiable to obtain external financing to develop and expand its business with a view to achieving improvement of the Group's financial performance and future business prospects.

The expenses in relation to the Rights Issue are estimated to be approximately HK\$0.6 million and will be payable by the Company.

The net proceeds from the Rights Issue are estimated to be not more than approximately HK\$11.4 million (assuming all the Rights Shares will be taken up). The Company intends to apply such net proceeds for the following purposes:

- (i) approximately HK\$5.7 million, representing 50.0% of the net proceeds, will be utilised within 12 months after the completion of the Rights Issue for increasing capital for the expansion of the placing and underwriting business including expansion of service coverage to debt capital markets;
- (ii) approximately HK\$3.4 million, representing 30.0% of the net proceeds, will be utilised within 12 months after the completion of the Rights Issue for increasing capital for the expansion of the fund management service; and
- (iii) approximately HK\$2.3 million, representing 20.0% of the net proceeds, will be utilised within 12 months after the completion of the Rights Issue for general working capital of the Group.

The Rights Issue will proceed irrespective of the level of acceptance of provisionally allotted Rights Shares. In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be allocated and utilised in accordance with the same proportion to the above uses.

As at the Latest Practicable Date, the Company has no intention to conduct fundraising in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fundraising opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

Besides the Rights Issue, the Directors have considered other fundraising methods available to the Group, including debt financing such as bank borrowings, and other equity financing such as placing or subscription of new Shares or open offer. In respect of debt financing, the Directors are of the view that the Group does not have material fixed assets which are satisfactory to the banks to be served as collaterals. Therefore, debt financing may not be achievable on favourable terms in a timely manner or may require pledge of other kinds of assets or securities which may reduce the Group's flexibility. In respect of equity financing, the Directors are of the view that placing or subscription of new Shares would dilute the shareholding of the existing Shareholders without giving the chance to the existing Shareholders to participate. The Directors consider that rights issue would be more attractive and flexible to the Shareholders than open offer because the Shareholders would have a choice to sell their entitled nil-paid Rights when they do not wish to participate in the Rights Issue.

LETTER FROM THE BOARD

Given the above, the Directors are of the view that the Rights Issue will allow the Group to strengthen its capital structure to support its business operation and development, without incurring additional debt financing cost. Furthermore, the Rights Issue will afford the Qualifying Shareholders the equal opportunity to subscribe for their respective pro rata provisional entitlement to the Rights Shares and hence avoid dilution of their shareholding interests in the Company. Therefore, the Directors are of the view that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities in the past 12 months immediately before the Latest Practicable Date.

LISTING RULES IMPLICATIONS

As the proposed Rights Issue will not increase the number of issued Shares or the market capitalisation of the Company by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the Company (i) within the 12 month period immediately preceding the announcement of the proposed Rights Issue or (ii) prior to such 12 month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12 month period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to Shareholders as part of such rights issues or open offers) and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates), the Rights Issue is not conditional upon approval by the Shareholders.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS

Shareholders and potential investors of the Company should note that the Rights Issue is subject to fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Any dealing in the Shares from the date of this Prospectus up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholder dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders or other persons contemplating any dealing in the Shares and/or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

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

1. FINANCIAL STATEMENTS OF THE GROUP

Financial information of the Group for each of the years ended 28 February 2022, 28 February 2023 and 29 February 2024 and six months ended 31 August 2024, respectively are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.innovax.hk).

- annual report of the Company for the year ended 28 February 2022:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0622/2022062200456.pdf>
- annual report of the Company for the year ended 28 February 2023:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0623/2023062300337.pdf>
- annual report of the Company for the year ended 29 February 2024:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0626/2024062600317.pdf>
- interim results announcement of the Company for the six months ended 31 August 2024
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1028/2024102800926.pdf>

2. INDEBTEDNESS STATEMENT

As at the close of business on 30 September 2024, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this Prospectus, the details of the Group's indebtedness are as follows:

	<i>HK\$'000</i>
Lease liabilities	
– Current portion	1,137
– Non-current portion	<u>655</u>
	<u><u>1,792</u></u>

Save as aforesaid and apart from intra-group liabilities and normal trade payables and other payables and accruals in the ordinary course of business, at the close of business on 30 September 2024, the Group did not have any debt securities issued and outstanding or agreed to be issued but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade payables) or acceptance credits, debentures, mortgages, charges, finance lease, hire purchases commitments, guarantees or material contingent liabilities.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, taking into account the financial resources available to the Group and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this Prospectus.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, save for the loss attributable to owners of the Company of approximately HK\$22.9 million recorded for the six months ended 31 August 2024 as disclosed in the 2024 Interim Results Announcement, so far as was known to the Directors, there are no material adverse change in the financial or trading position of the Group as at 29 February 2024, the date to which the latest published audited financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

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

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

As disclosed in the 2024 Interim Results Announcement, the Group recorded a revenue of approximately HK\$93.7 million, representing an increase of approximately 680.5%, from approximately HK\$12.0 million for the six months ended 31 August 2023. Such significant increase was mainly attributable to successfully (i) securing more clients requiring different corporate finance advisory services; (ii) expanding the product and service coverage of its placing and underwriting business to include debt capital markets; and (iii) increasing secured personal loan services under its money lending business. The Group recorded a loss attributable for the owners of the Company for the six months ended 31 August 2024 of approximately HK\$22.9 million as compared to the profit attributable to owners of the Company of approximately HK\$9.3 million for the six months ended 31 August 2023. The net loss was mainly due to the net unrealised loss on financial assets at fair value through profit or loss by approximately HK\$15.4 million for the six months ended 31 August 2024, as compared with the net unrealised gain on financial assets at fair value through profit or loss of approximately HK\$19.5 million for the corresponding period.

As disclosed in the annual report of the Company for the year ended 29 February 2024, the Group recorded a revenue of approximately HK\$32.7 million, representing a decrease of approximately 28.1% from approximately HK\$45.5 million for the year ended 28 February 2023. Such decrease was primarily due to the decrease in daily trading turnover, the number of newly listed companies on the Stock Exchange and the total amount of fund raised from newly listed companies during the year. The Group recorded profit attributable to owners of the Company for the year ended 29 February 2024 of approximately HK\$1.8 million as compared to a loss of approximately HK\$6.6 million for the year ended 28 February 2023. The turnaround to net profit was primarily attributable to (i) an increase in other gains of approximately HK\$21.8 million as a result of increase realised and unrealised gains on financial assets at fair value through profit or loss and offset by the decrease in revenue as aforesaid.

As disclosed in the annual report of the Company for year ended 28 February 2023, the Group recorded a revenue of approximately HK\$45.5 million, representing an increase of approximately 30.3% from approximately HK\$35.0 million for the year ended 28 February 2022. Such increase was attributable to completing more IPO sponsorship projects, achieving a higher trading volume of the securities dealing and brokerage business and generating higher interest income from the securities financing business as compared to the year ended 28 February 2022. The Group recorded loss attributable to owners of the Company of approximately HK\$6.6 million for the year ended 28 February 2023 as compared to a loss of approximately HK\$22.5 million for the year ended 28 February 2022. The decrease in loss was primarily due to the increase in revenue as aforesaid.

As the US Federal Reserve announced to lower its benchmark interest rate in September 2024 indicating the end of hiking cycle, investor sentiment has improved. The PRC government launched a basket of robust policies to stimulate property market and boost the economy in September 2024. The Hong Kong's initial public offering (IPO) market has shown signs of gradual recovery with over 100 new applications so far this year. Despite the improving market sentiment, the Group anticipates a challenging operational environment for the remainder of the year. The Group will continue to reinforce the development of the existing business segments by widening its product scope, range of services and customer base. In the meantime, the Group will strive to seek for business opportunities to diversify its business development into new business lines.

APPENDIX II PRO FORMA FINANCIAL INFORMATION OF THE GROUP

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group which has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants to illustrate the effect of the Rights Issue on the consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 August 2024 as if the Rights Issue had been completed on that date. As it is prepared for illustrative purpose only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group had the Rights Issue been completed on 31 August 2024 or any future date.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group is prepared based on the consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 August 2024 as derived from the Group’s consolidated financial statements for the six months period ended 31 August 2024 and is adjusted for the effect of the Rights Issue as if the Rights Issue had been completed on 31 August 2024.

			Unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company as at 31 August 2024 HK\$'000 (Note 1)	Estimated net proceeds from the Rights Issue HK\$'000 (Note 3)	Unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company as at 31 August 2024 HK\$'000	Consolidated net tangible assets attributable to the owners of the Company per Share as at 31 August 2024 HK\$ (Note 4)	Unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company Per Share as at 31 August 2024 HK\$ (Note 5)
Based on 20,000,000 Rights Shares to be issued at the Subscription Price of HK\$0.60 per Rights Share			187,100	11,405	198,505	4.68	3.31

Notes:

- (1) The amount of consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 August 2024 is based on unaudited consolidated net assets of the Group as at 31 August 2024 of HK\$187,600,000 as extracted from the consolidated financial statements of the Group for the six months period ended 31 August 2024, after deduction of the intangible assets of HK\$500,000 as at 31 August 2024.
- (2) The number of issued shares have been retrospectively adjusted from 400,000,000 Old Shares as at 31 August 2024 into 40,000,000 Shares, as a result of Share Consolidation, which became effective on 25 October 2024 by which every ten issued and unissued Old Shares were consolidated into one Shares of HK\$0.01 each.

APPENDIX II PRO FORMA FINANCIAL INFORMATION OF THE GROUP

- (3) The estimated net proceeds from the Rights Issue are based on the issuance of 20,000,000 Rights Shares (according to the number of Shares disclosed in Note 2) at HK\$0.60 each, after deducting the estimated cost directly attributable to the Rights Issue of HK\$595,000 to be incurred by the Group.
- (4) The consolidated net tangible assets of Group attributable to the owners of the Company per Share as at 31 August 2024 is calculated based on the consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 August 2024 of HK\$187,100,000 divided by 40,000,000 Shares (according to the number of Shares disclosed in Note 2) which represents Shares in issue as at 31 August 2024.
- (5) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 31 August 2024 is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 August 2024 of HK\$198,505,000 divided by 60,000,000 Shares in issue upon completion of the Rights Issue as at 31 August 2024, which comprises 40,000,000 Shares in issue as at 31 August 2024 according to the number of Shares before the Rights Issue and 20,000,000 Rights Shares to be issued under the Rights Issue.
- (6) Save as disclosed in the above notes, no adjustments have been made to reflect any trading or other transactions of the Group entered into subsequent to 31 August 2024.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the directors of Innovax Holdings Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Innovax Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 August 2024 and related notes as set out on pages II-1 to II-2 of Appendix II of the Company’s prospectus dated 6 November 2024 (the “**Prospectus**”) in connection with the proposed rights issue of the Company on the basis of one rights share for every two existing shares held on the record date (the “**Proposed Rights Issue**”). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described in Appendix II of the Prospectus.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Proposed Right Issue on the Group’s financial position as at 31 August 2024 as if the Proposed Rights Issue had taken place at 31 August 2024. As part of this process, information about the Group’s financial position has been extracted by the directors of the Company from the Group’s unaudited condensed consolidated financial statements for the six months ended 31 August 2024, on which an interim results announcement (with no audit or review report) has been published.

Directors’ Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Rights Issue would have been as presented.

APPENDIX II PRO FORMA FINANCIAL INFORMATION OF THE GROUP

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the entity, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

BDO Limited

Certified Public Accountants

Hong Kong

6 November 2024

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Rights Issue (assuming no further issue of the Shares from the Latest Practicable Date up to completion of the Rights Issue) were and will be as follows:

i. As at the Latest Practicable Date:

Authorised:	HK\$
<u>100,000,000</u> Shares of HK\$0.1 each	<u>10,000,000</u>

Issued and fully paid up:

<u>40,000,000</u> Shares of HK\$0.1 each	<u>4,000,000</u>
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ii. Immediately after completion of the Rights Issue:

Authorised:	HK\$
<u>100,000,000</u> Shares of HK\$0.1 each	<u>10,000,000</u>

Issued and fully paid up:

<u>60,000,000</u> Shares of HK\$0.1 each	<u>6,000,000</u>
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All the issued Shares rank *pari passu* with each other in all respects including the rights as to voting, dividends and return of capital. The Rights Shares to be allotted and issued will, when issued and fully paid, rank *pari passu* in all respects with the Shares in issue on the date of allotment of the Rights Shares in fully-paid form.

The Company has applied to the Listing Committee for the listing of and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, the Company had no outstanding convertible bonds, options, derivatives, warrants, conversion rights or other similar rights entitling holders thereof to subscribe for or convert into or exchange for new Shares.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS

a. Directors' and chief executive's interests and short positions in the securities of the Company and its associated corporations

(i) Directors' and chief executive's interests in securities of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (i) 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 and short positions which they were taken or deemed to have under such provision of the SFO); (ii) were required, pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules, were as follow:

Long position

Name	Capacity/ Nature of interests	Number of Shares interested	Approximate percentage of the interest in the Company
Mr. Chung Chi Man	Interest in a controlled corporation (<i>Note 1</i>)	30,000,000	75.00%

Note:

1. 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.

*(ii) Directors' interests in securities of the associated corporations of the Company**Long position*

Name of Director	Name of associated corporation	Capacity/Nature of interests	Number of ordinary share(s) interested	Approximate percentage of the total issued shares of the associated corporation
Mr. Chung Chi Man	BSI	Beneficial owner	110	100.00%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (i) 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 and short positions which they were taken or deemed to have under such provision of the SFO); (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register of the Company referred to therein; or (iii) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

b. Substantial Shareholders and other persons' interests in Shares and underlying Shares

As at the Latest Practicable Date, so far as known to the Directors, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long position

Name of Shareholders	Capacity/ Nature of interest	Number of Shares interested	Approximate percentage of interest in Company
BSI	Beneficial owner	30,000,000	75.00%
Ms. Lee Yin Har (Note 1)	Interest of spouse	30,000,000	75.00%

Note:

- 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.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other persons (other than the Directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

4. DIRECTOR'S SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors had entered into any service agreement with any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTEREST IN ASSETS, CONTRACTS AND ARRANGEMENT OF THE GROUP

As at the Latest Practicable Date, none of the Directors, directly or indirectly, had any interest in any assets which had since 29 February 2024 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to the Group, or were proposed to be acquired or disposed of by or leased to the Group. As at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement which is significant in relation to the business of the Group.

6. COMPETING INTEREST

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or Controlling Shareholders or their respective associates had any business or interest which competes or may compete with the business of the Group, or have or may have any other conflicts of interest with the Group.

7. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

8. MATERIAL CONTRACT

Save for the Placing Agreement, no contract (not being contract(s) entered into in the ordinary course of business carried on or intended to be carried on by the Group) was entered into by the members of the Group during two years preceding the date of the Announcement and up to the Latest Practicable Date.

9. EXPERT AND CONSENT

The following are the qualifications of the expert who has given opinions or advice which are contained in this Prospectus:

Name	Qualification
BDO Limited	Certified Public Accountants and Registered Public Interest Entity Auditor

The above expert has given and confirmed that it has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letter, report, advice, opinion and/or references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any Shares, convertible securities, warrants, options or derivatives which carry voting rights in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interest, either directly or indirectly, in any assets which have been since 29 February 2024 (being the date to which the latest published audited consolidated financial statements of the Company were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

10. EXPENSES

The expenses in connection with the Rights Issue, including professional fees payable to financial adviser, legal advisers, financial printer and other parties involved in the Rights Issue are estimated to amount to approximately HK\$0.6 million and are payable by the Company.

11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THIS RIGHTS ISSUE

Registered office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Headquarter and principal place of business in Hong Kong	Unit A-C, 20/F Neich Tower 128 Gloucester Road Wanchai, Hong Kong
Company secretary	Ms. Chau Lok Yi

Authorised representatives	Ms. Chau Lok Yi Mr. Chung Chi Man
Hong Kong branch share registrar and transfer office	Computershare Hong Kong Investor Services Limited Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong
Principal banks	Bank of China (Hong Kong) Limited Chong Hing Bank Limited Hang Seng Bank Limited The Hong Kong and Shanghai Banking Corporation Limited
Auditors	BDO Limited Certified Public Accountants Registered Public Interest Entity Auditor 25th Floor, Wing On Centre 111 Connaught Road Central Hong Kong
Legal advisor to the Company as to Hong Kong laws	Jingtian & Gongcheng LLP Suites 3203-3207 32/F., Edinburgh Tower The Landmark 15 Queen's Road Central Hong Kong
Financial adviser to the Company	Innovax Capital Limited Unit B, 13/F, Neich Tower 128 Gloucester Road Wanchai, Hong Kong
Placing Agent	Innovax Securities Limited Unit A-C, 20/F, Neich Tower 128 Gloucester Road Wanchai, Hong Kong

12. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. CHUNG Chi Man (鍾志文), aged 51, is the founder of the Group, the chairman of the Board and executive Director. He founded the Group in June 2014. Mr. Chung was appointed as the Director on 14 June 2016 and was re-designated as the executive Director on 4 May 2018. He was appointed as the chairman on 4 May 2018. He is a responsible officer of Innovax Capital Limited for type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities. Mr. Chung is primarily responsible for overall strategic planning and development of the Group as well as overseeing the general management of the Group.

Mr. Chung has over 26 years of experience in financial services, accounting and management as well as investment consultancy. He started his career in an international bank and served as various senior managerial and financial advisory positions in various companies.

Mr. Chung obtained a bachelor degree in business administration from the Chinese University of Hong Kong in December 1995. He was awarded Sir Edward Youde Memorial Scholarship in 1992 and is a fellow member of the Association of Chartered Certified Accountant since July 2001.

Mr. POON Siu Kuen, Calvin (潘兆權), aged 53, joined the Group and was appointed as a director and head of corporate finance department of Innovax Capital Limited in February 2015. He was appointed as an executive Director and chief executive officer on 4 May 2018. Mr. Poon is primarily responsible for overall management of the Group and supervision and management of the Group's corporate finance advisory business. He is a responsible officer of Innovax Capital Limited for type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities and is a sponsor principal of Innovax Capital Limited.

Mr. Poon has over 24 years of experience in corporate finance. Prior to joining the Group in February 2015, Mr. Poon worked as an accountant at KPMG Hong Kong from December 1996 to February 2000. From July 2001 to December 2005, he was employed by Kingsway Capital Limited, a financial services company, as an associate director, where he handled various IPO projects, M&A transactions and fund raising exercises. He then joined China Everbright Capital Limited, a financial services company from December 2005 to February 2015 with his last position being the executive director of the corporate finance department.

Mr. Poon obtained a bachelor degree in civil engineering and a master degree in practising accounting from Monash University in Australia in October 1995 and November 2000, respectively. He has been an associate member of CPA Australia since September 1997, and advanced to full CPA status in April 2000.

Independent non-executive Directors

Dr. WU Kwun Hing (胡觀興), aged 57, was appointed as an independent non-executive Director on 24 August 2018. He is mainly responsible for supervising and providing independent advice to the Board. He joined the Group as an independent non-executive director of Innovax Capital Limited on 16 March 2015.

Dr. Wu has over 32 years of experience in engineering consultancy, including extensive international experience in major infrastructure projects. Dr. Wu is currently operating his company SimEng Technologies Ltd., established in December 2017, specialized on computer simulation. Dr. Wu was the technical director of Atkins China Limited from September 2020 to December 2023. From May 2018 to July 2020, Dr. Wu was the chief tunnel ventilation and station air-conditioning engineer of Oriental Consultants Global Co. Ltd. From September 1992 to November 2017, Dr. Wu worked at WSP (Asia) Limited (formerly known as Parsons Brinckerhoff (Asia) Limited), an engineering professional services firm, with his last position being a technical director.

Dr. Wu obtained a bachelor degree in mechanical engineering from the Hong Kong Polytechnic University in 1992 and a PhD in mechanical engineering from the Hong Kong University of Science and Technology in 2008. Dr. Wu is a fellow member of the Hong Kong Institution of Engineers since November 2022.

Mr. KWONG Hon Nan, Eric (江漢南), aged 49, was appointed as an independent non-executive Director on 1 November 2024. He is mainly responsible for supervising and providing independent advice to the Board.

Mr. Kwong has over 27 years of experience in actuarial science, financial management and risk management. From July 1997 to June 2000, Mr. Kwong served as an actuarial analyst at Towers Perrin. From June 2000 to January 2004, Mr. Kwong served as a consulting actuary and senior actuary at Ernst & Young. From February 2004 to August 2011, Mr. Kwong served in various positions at American International Assurance Company Limited, with his last position being the vice president in group product management. From August 2011 to June 2013, Mr. Kwong served as the head of management accounting at ING Asia Pacific Limited. From October 2013 to March 2014, Mr. Kwong was the head of risk management and asset and liability management of the global individual business at Cigna International Corporation Limited. From February 2015 to November 2020, Mr. Kwong served in various positions at Tahoe Life Insurance Company Limited, including chief actuarial officer, chief financial officer and senior advisor of CEO office.

Mr. Kwong obtained a bachelor of science degree in actuarial science from the University of Hong Kong in December 1997. Mr. Kwong obtained the Chartered Financial Analyst (CFA) designation in September 2002. Mr. Kwong is a Fellow of The Actuarial Society of Hong Kong (FASHK) and a Fellow of the Society of Actuaries (FSA) of the United States.

Ms. CHAN Ka Lai, Vanessa (陳嘉麗), aged 50, was appointed as an independent non-executive Director on 24 August 2018. She is mainly responsible for supervising and providing independent advice to the Board.

Ms. Chan is a professional accountant with over 26 years of experience in auditing, accounting and financial management. Currently, Ms. Chan is the operating director of WA C&E Limited which specialises in providing company secretarial, business and financial advisory services. She is currently an independent non-executive director of Tycoon Group Holdings Limited, a company listed on the Main Board (Stock Code: 3390), LEPU ScienTech Medical Technology (Shanghai) Co., Ltd., a company listed on the Main Board (Stock Code: 2291) and Hollwin Urban Operation Service Group Co., Ltd. (Stock Code: 2529). She worked in China Agri-Industries Holdings Limited, a state-owned enterprise previously listed on the Main Board, from November 2009 to December 2018 with her last position as the financial controller. Prior to joining China Agri-Industries Holdings Limited, she worked as an accounting manager of The Kowloon Motor Bus Co. (1933) Ltd. from August 2005 to February 2008 and worked in KPMG Hong Kong from July 1995 to August 2005 with the last position as a senior audit manager. In addition, Ms. Chan is the member and Honorary Treasurer of Hong Kong Guide Dogs Association Limited (a registered charity organisation).

Ms. Chan obtained a bachelor degree of arts in accountancy from the Hong Kong Polytechnic University in October 1995. She is a fellow member of the Hong Kong Institute of Certified Public Accountants since March 2006 and the Association of Chartered Certified Accountants since October 2006. Ms. Chan is also a member of the Hong Kong Chartered Governance Institute since March 2004 and the Hong Kong Institute of Directors since January 2018.

Senior management

Mr. SO Hin Pong (蘇顯邦), aged 67, was the chief executive officer and executive director of Innovax Securities Limited from March 2017 to November 2020. He is currently the responsible officer for type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 9 (asset management) regulated activities of the Group. Mr. So joined the Group in March 2017.

Mr. So has over 41 years of experience in the financial and securities industry. Prior to joining the Group, Mr. So worked at Sun Hung Kai Group from February 1982 to June 2001, during which he had served as (i) an executive director of Sun Sun Fund, a fund launched by Sun Hung Kai Group; and (ii) a senior manager of the management and marketing department of SHK Fund Management Limited, where he managed the AEs' business activities. He then worked at China Everbright Limited (Stock Code: 165), a company listed on the Main Board, from June 2001 to March 2011 and China Everbright Securities International Limited ("CESIL"), a financial and securities services group in Hong Kong and a subsidiary of Everbright Securities Company Limited, a company listed on the Main Board (Stock Code: 6178), from April 2011 to March 2017. He had served as the responsible officer for type 1 (dealing in securities), type 2 (dealing in futures contracts), type 3 (leveraged foreign exchange trading), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities for the operating subsidiaries of China Everbright Limited and CESIL during the respective periods.

Mr. So obtained the diploma in advanced financial management from the Asia International Open University in Macau in July 1995 and the diploma in finance from the Chinese University of Hong Kong in October 1997.

Mr. LI Lap Sun (李立新), aged 57, was appointed as the chief investment officer and executive director of Innovax Asset Management Limited in March 2017. He is mainly responsible for supervising and managing the Group's asset management business. Mr. Li joined the Group in March 2017.

Mr. Li has over 30 years of experience in finance and asset management. Mr. Li worked at Merrill Lynch (Asia Pacific) Limited from March 1994 to August 2004, with his last position being a director. He then worked at Goldman Sachs (Asia) L.L.C. as an executive director in the equities division from October 2004 to March 2007. From June 2007 to March 2017, Mr. Li was a responsible officer and the fund manager of Spitzer Asset Management Limited ("Spitzer Asset") (a licensed corporation which carried out type 9 (asset management) regulated activity), and he was a director of Spitzer Asset during the period from February 2017 to March 2017.

Mr. Li obtained a bachelor degree of arts in economics from the University of California, Los Angeles in the United States in June 1989 and a master degree in business administration from the University of Southern California in the United States in May 1992.

Ms. CHAU Lok Yuen Amy (周樂宛), aged 47, was appointed as the head of equity capital markets in June 2017 and a director of Innovax Securities Limited in September 2020. She is principally responsible for supervising and managing the Group's placing and underwriting business, the securities dealing and brokerage business and research. Ms. Chau joined the Group in June 2017.

Ms. Chau has over 16 years of experience in finance and capital markets. From December 2007 to September 2010, Ms. Chau worked as a senior associate of equity capital markets in Sun Hung Kai Financial, a licensed corporation which carries out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities. In January 2011, Ms. Chau joined as a senior manager of equity capital markets in CESIL. Her last position was a director of equity capital markets.

Ms. Chau obtained a bachelor degree of accountancy from the City University of Hong Kong in June 1999. She further obtained a master degree in business administration from the University of Manchester in June 2013.

Ms. CHAU Lok Yi (周樂怡), aged 44, is the chief financial officer and company secretary of the Company and is mainly responsible for overall management of the financial and company secretarial matters of the Group. Ms. Chau joined the Group in May 2017.

Ms. Chau has over 20 years of experience in accounting. Prior to joining the Group, Ms. Chau worked at the finance and operations department of Oriental Patron Securities Limited, a company providing equity research, underwriting and securities brokerage services, from August 2003 to February 2005 with her last position being an accountant. Since February 2005, she worked at Morison Heng CPA Limited as a senior audit manager.

Ms. Chau obtained a bachelor degree of arts in accountancy from the Hong Kong Polytechnic University in November 2003. She obtained a master degree in business administration from the University of Iowa in December 2016. She is a member of the Hong Kong Institute of Certified Public Accountants since July 2007.

Mr. LAM King Fung (林景烽), aged 42, is the chief operation officer and head of compliance of the Group and is mainly responsible for the business operation and regulatory compliance matters of the Group. Mr. Lam joined the Group in May 2017.

Mr. Lam has over 16 years of experience in regulatory compliance. Prior to joining the Group, Mr. Lam worked at CESIL from October 2010 to April 2017 with his last position as a senior vice president of legal, compliance and company secretarial department.

Mr. Lam obtained a bachelor degree of business in risk management from the Monash University of Australia in April 2005 and a master degree of corporate governance from the Hong Kong Polytechnic University in October 2013. Mr. Lam is a member of the Hong Kong Chartered Governance Institute since 2015 and a member of the Hong Kong Institute of Chartered Secretaries since December 2017.

Company Secretary

Ms. CHAU Lok Yi (周樂怡), aged 44, was appointed as the company secretary of the Company on 4 May 2018. For details of her education and experience, please refer to the paragraph headed “Senior management” above.

Business address of the Directors and senior management of the Company

The business address of the Directors and senior management of the Company is the same as the headquarter and principal place of business in the Hong Kong of the Company located at Unit A-C, 20/F, Neich Tower, 128 Gloucester Road, Wanchai, Hong Kong.

13. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of sections 44A and 44B of the Companies (WUMP) Ordinance, so far as applicable.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed “9. EXPERT AND CONSENT” in this appendix, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (WUMP) Ordinance.

15. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.innovax.hk) for the period of 14 days from the date of this Prospectus:

- (i) the letter issued by BDO Limited regarding the unaudited pro forma financial information of the Group as set out in Appendix II to this Prospectus;
- (ii) the written consent as referred to in the paragraph headed “9. Expert and Consent” in this appendix; and
- (iii) the material contract referred to in the paragraph headed “8. Material Contract” in this appendix.

16. MISCELLANEOUS

In the case of any discrepancies, the English version of the Prospectus Documents shall prevail over their respective Chinese version.

As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.