

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



INNOVAX HOLDINGS LIMITED

創陞控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2680)

DISCLOSEABLE TRANSACTION ACQUISITION OF LISTED SECURITIES

THE ACQUISITION

Through a series of transactions on 31 December 2019, the Company, through a subsidiary, acquired on the open market a total of 2,608,000 Taizhou Water H Shares at an aggregate consideration of approximately HK\$10,981,000 (exclusive of transaction costs). The average price (exclusive of transaction costs) for the Acquisition of each Taizhou Water H Share is approximately HK\$4.21.

THE LISTING RULES IMPLICATIONS

As certain applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting and announcement requirements of the Listing Rules, but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

THE ACQUISITION

Through a series of transactions on 31 December 2019, the Company, through a subsidiary, acquired on the open market a total of 2,608,000 Taizhou Water H Shares at an aggregate consideration of approximately HK\$10,981,000 (exclusive of transaction costs). The average price (exclusive of transaction costs) for the Acquisition of each Taizhou Water H Share is approximately HK\$4.21. The price the Company paid for in each transaction was the market price of Taizhou Water H Share and settled in cash from internal resources of the Group.

As the Acquisition was made through the open market, the Company is not aware of the identities of the sellers of Taizhou Water H Shares. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the sellers of Taizhou Water H Shares and their respective ultimate beneficial owners are Independent Third Parties.

Assets acquired

Prior to the Acquisition, the Company did not hold any Taizhou Water H Shares. Upon settlement of the Acquisition, the Group will hold an aggregate of 2,608,000 Taizhou Water H Shares, representing approximately 5.22% of the total issued H share capital and approximately 1.30% of the total issued share capital of Taizhou Water.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in corporate financial advisory services, placing and underwriting services, securities dealing and brokerage services, securities financing services and asset management services.

Having considered the improving financial performance of Taizhou Water, the Company considers that the Acquisition of Taizhou Water H Shares is an attractive investment and can enhance the returns on investment for the Company.

As the Acquisition was made at market price, the Directors are of the view that the Acquisition was fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON TAIZHOU WATER

Taizhou Water is a joint stock company established in the PRC with limited liability and the H shares of which are recently listed on the Main Board of the Stock Exchange (Stock Code: 1542). Taizhou Water is principally engaged in the supply of raw water and municipal water in Taizhou, the PRC.

The following audited financial information is extracted from the prospectus of Taizhou Water:

	Six months ended 30 June 2019	Year Ended 31 December	
	<i>RMB'000</i>	2018	2017
		<i>RMB'000</i>	<i>RMB'000</i>
Revenue from continuing operations	225,786	504,263	462,901
Profit before tax from continuing operations	70,363	160,787	138,359
Profit for the year/period from continuing operations	51,889	120,250	101,669

As extracted from the prospectus of Taizhou Water, the consolidated net assets of Taizhou Water as at 30 June 2019, 31 December 2018 and 31 December 2017 were approximately RMB697,266,000, RMB645,377,000 and RMB481,879,000, respectively.

LISTING RULES IMPLICATIONS

As certain applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting and announcement requirements of the Listing Rules, but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

In consideration of the market price of Taizhou Water, the Company may further acquire or dispose Taizhou Water H Shares on the market through the Stock Exchange but the aggregate consideration for the acquisitions of Taizhou Water H Shares in any event will not exceed 25% of applicable percentage ratios and will not constitute a major transaction of the Company under Chapter 14 of the Listing Rules.

The Company will issue an announcement when there are any material acquisitions or disposals of Taizhou Water H Shares as required under the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the same following meanings as set out below:

“Acquisition”	the acquisition by the Group through a series of transactions on the open market through the Stock Exchange of an aggregate of 2,608,000 Taizhou Water H Shares conducted on 31 December 2019 at an aggregate consideration of approximately HK\$10,981,000 (exclusive of transaction costs)
“Board”	the board of Directors of the Company
“Company”	Innovax Holdings Limited (創陞控股有限公司), a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“discloseable transaction”	as defined in the Listing Rules
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	third party(ies) independent of the Company and connected persons of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	as defined in Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China, excluding for the purposes of this announcement, Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Shareholder(s)”	holder(s) of issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taizhou Water”	Taizhou Water Group Co., Ltd.* (台州市水務集團股份有限公司), a joint stock company established in the PRC with limited liability on 30 June 1999, the H shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1542)
“Taizhou Water H Shares”	overseas listed foreign shares with a nominal value of RMB1.00 each, in the share capital of Taizhou Water which are subscribed for and traded in HK dollars and are listed on the Stock Exchange
“%”	per cent

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

Hong Kong, 2 January 2020

As at the date of this announcement, the Board comprises: Mr. Chung Chi Man as Chairman of the Company and executive director; Mr. Poon Siu Kuen, Calvin as Chief executive officer and executive Director; Mr. Lo Wai Kwan, Dr. Wu Kwun Hing, Mr. Choi Wai Ping, Ms. Chan Ka Lai, Vanessa and Mr. Cheung Kwok Kwan as independent non-executive Directors.

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

* *for identification only*