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INNOVAX HOLDINGS LIMITED

創陞控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2680)

DISCLOSEABLE TRANSACTION FURTHER ACQUISITIONS OF LISTED SECURITIES

Reference is made to the announcements of Innovax Holdings Limited (the “**Company**”) in relation to acquisition of listed securities dated 2 January 2020 and 15 January 2020 (the “**Announcements**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

FURTHER ACQUISITIONS OF LISTED SECURITIES

Through a series of transactions conducted between 16 January 2020 and 6 April 2020, the Company, through a subsidiary, further acquired on the open market a total of 3,122,000 Taizhou Water H Shares at an aggregate consideration of approximately HK\$12,843,760 (exclusive of transaction costs). The average price (exclusive of transaction costs) for the Further Acquisitions of each Taizhou Water H Share is approximately HK\$4.11.

THE LISTING RULES IMPLICATIONS

As certain applicable percentage ratio (as defined under the Listing Rules) in respect of the Further Acquisitions exceeds 5% but are less than 25%, the Further Acquisitions constitute 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 Further Acquisitions, when aggregated with the Previous Acquisitions, remain a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

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FURTHER ACQUISITIONS OF LISTED SECURITIES

Through a series of transactions conducted between 16 January 2020 and 6 April 2020, the Company, through a subsidiary, further acquired on the open market a total of 3,122,000 Taizhou Water H Shares at an aggregate consideration of approximately HK\$12,843,760 (exclusive of transaction costs). The average price (exclusive of transaction costs) for the Further Acquisitions of each Taizhou Water H Share is approximately HK\$4.11. 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 Further Acquisitions were 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 Further Acquisitions, the Company held 7,579,000 Taizhou Water H Shares, representing approximately 15.16% of the total issued H share capital and approximately 3.79% of the total issued share capital of Taizhou Water. Upon settlement of the Further Acquisitions, the Group will hold an aggregate of 10,701,000 Taizhou Water H Shares, representing approximately 21.40% of the total issued H share capital and approximately 5.35% of the total issued share capital of Taizhou Water.

REASONS FOR AND BENEFITS OF THE FURTHER ACQUISITIONS

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.

The Directors are of the view that the Further Acquisitions provide the Group with a good investment opportunity to expand investment portfolio with quality assets. Having considered the recent performance, the relatively high dividend payment of RMB0.16 per share declared by Taizhou Water for the year ended 31 December 2019 and growth potential of Taizhou Water, the Directors believe that the Further Acquisitions are attractive investment which will provide stable and satisfactory return.

As the Further Acquisitions were made at market price, the Directors are of the view that the Further Acquisitions were 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 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 final results announcement of Taizhou Water dated 27 March 2020:

	Year Ended 31 December	
	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from continuing operations	472,148	504,263
Profit before tax from continuing operations	140,479	160,787
Profit for the year from continuing operations	104,521	120,250

As extracted from the final results announcement of Taizhou Water dated 27 March 2020, the consolidated net assets of Taizhou Water as at 31 December 2019 and 31 December 2018 were approximately RMB902,219,000 and RMB645,377,000, respectively.

LISTING RULES IMPLICATIONS

As certain applicable percentage ratio (as defined under the Listing Rules) in respect of the Further Acquisitions exceeds 5% but are less than 25%, the Further Acquisitions constitute 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 Further Acquisitions, when aggregated with the Previous Acquisitions, remain a discloseable transaction of the Company 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:

- “Further Acquisitions” the further acquisitions by the Group through a series of transactions on the open market through the Stock Exchange of an aggregate of 3,122,000 Taizhou Water H Shares conducted between 16 January 2020 and 6 April 2020 at an aggregate consideration of approximately HK\$12,843,760 (exclusive of transaction costs)
- “Previous Acquisitions” the acquisitions by the Group through a series of transactions on the open market through the Stock Exchange of an aggregate of 7,579,000 Taizhou Water H Shares conducted from 31 December 2019 to 15 January 2020 at an aggregate consideration of approximately HK\$31,578,930 (exclusive of transaction costs), details of which have been disclosed in the announcements of the Company dated 2 January 2020 and 15 January 2020

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

Hong Kong, 6 April 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 and Ms. Chan Ka Lai, Vanessa as independent non-executive Directors.