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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 PROVISION OF THE LOAN

PROVISION OF THE LOAN

On 25 April 2024, Innovax Credit, an indirect wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrowers, as borrowers and mortgagors, pursuant to which, Innovax Credit agreed to lend to the Borrowers the Loan in the principal amount of HK\$4,000,000 at an effective interest rate of 8.5% per annum for a repayment term of 24 months.

Prior to the entering into of the Loan Agreement, Innovax Credit has entered into the Existing Loan agreement for the grant of the Existing Loan on 30 January 2023.

LISTING RULES IMPLICATION

As all of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the Existing Loan were all less than 5% at the material time, the grant of the Existing Loan did not constitute a discloseable transaction of the Company.

As (i) the Borrowers are the borrowers of the Loan and the Existing Loan; and (ii) the drawdown amount of the Existing Loan have not been fully repaid, the transactions contemplated under the Loan Agreement and the Existing Loan Agreement are required to be aggregated pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the aggregate amount of the Loan and the Existing Loan exceeds 5% but is less than 25%, the grant of the Loan and the Existing Loan in aggregate constitute a discloseable transaction of the Company, and is subject to reporting and announcement requirements but exempt from the Shareholders' approval under Chapter 14 of the Listing Rules.

PROVISION OF THE LOAN AND THE EXISTING LOAN

The Loan Agreement and the Existing Loan Agreement were entered into between Innovax Credit as lender and the Borrowers as borrowers and mortgagors.

The principal terms of the Loan Agreement and the Existing Loan Agreement are set out as follows:

Date of the agreements:	25 April 2024 (under the Loan Agreement) 30 January 2023 (under the Existing Loan Agreement)
Lender:	Innovax Credit
Borrowers:	The Borrowers
Mortgagors:	The Borrowers
Principal amount:	HK\$4,000,000 (under the Loan Agreement) HK\$5,000,000 (under the Existing Loan Agreement)
Interest rate:	8.5% per annum
Drawdown date:	30 April 2024 (under the Loan Agreement) 30 January 2023 (under the Existing Loan Agreement)
Maturity date:	30 April 2026 (under the Loan Agreement) 30 January 2025 (under the Existing Loan Agreement)
Repayment term:	The Loan and the Existing Loan shall be repaid in 24 successive monthly instalments. The Borrowers shall repay the interests on a monthly basis with the principal amount to be repaid at loan maturity.
Repayment date:	The date on or before the 30th day of each calendar month
Early repayment:	The Borrowers may repay the principal amount of the Loan and the Existing Loan and all accrued interest in full or partially ahead of the maturity date of the Loan and the Existing Loan by giving prior written notice to Innovax Credit.
Default rate:	8.5% per annum on any sum which is not paid when due
Security:	An “All Moneys” first and second legal charge/mortgage over the property located in Tai Po, Hong Kong with an aggregate valuation of approximately HK\$21,000,000 as conducted by an independent property valuer on 26 February 2024 engaged by the Company, under the Existing Loan Agreement and the Loan Agreement, respectively.

REASONS FOR AND THE BENEFITS OF ENTERING INTO THE LOAN AGREEMENT AND THE EXISTING LOAN AGREEMENT

The provision of the Loan and the Existing Loan were transactions carried out as part of the ordinary and usual course of business activities of the Group. The terms of the Loan Agreement and the Existing Loan Agreement (including but not limited to the interest rate) were arrived at by the parties after arm's length negotiations, with reference to the prevailing commercial practice, the securities provided and the amount of the Loan and the Existing Loan. The Loan will be funded by internal resources of the Group.

The grant of the Loan and the Existing Loan was made based on the Group's credit assessments on the financial strength and repayment ability of the Borrowers and the securities provided by the Borrowers. After having taken into account the factors as mentioned above, the Group considers that the credit risks of granting the Loan and the Existing Loan to the Borrowers are relatively low. The grant of the Loan and the Existing Loan will provide additional interest income to the Group.

The Directors consider that the terms of the Loan Agreement and the Existing Loan Agreement are on normal commercial terms and are fair and reasonable and the entering into of the Loan Agreement and the Existing Loan Agreement is in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As all of the applicable Percentage Ratios stipulated under Rule 14.07 of the Listing Rules in respect of the Existing Loan were all less than 5% at the material time, the grant of the Existing Loan did not constitute discloseable transaction of the Company.

As (i) the Borrowers are the borrowers of the Loan and the Existing Loan; and (ii) the drawdown amount of the Existing Loan have not been fully repaid, the transactions contemplated under the Loan Agreement and the Existing Loan Agreement are required to be aggregated pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the aggregate amount of the Loan and the Existing Loan exceeds 5% but is less than 25%, the grant of the Loan and the Existing Loan in aggregate constitute a discloseable transaction of the Company, and is subject to reporting and announcement requirements but exempt from the Shareholders' approval under Chapter 14 of the Listing Rules.

INFORMATION OF THE BORROWERS AND THE MORTGAGORS

The Borrowers are individuals and merchants who are principally engaged in diamond trading business. The Borrowers are the owners of the property mortgaged to Innovax Credit as security for the Existing Loan and the Loan.

The Borrowers are the repeated customers of Innovax Credit with no default record.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, each of the Borrowers is an Independent Third Party and not connected with the Group.

INFORMATION OF THE GROUP AND INNOVAX CREDIT

The Group is principally engaged in provision of financial and securities services including corporate finance advisory services, placing and underwriting services, securities dealing and brokerage services, securities financing services, asset management services and money lending services.

Innovax Credit is an indirect wholly-owned subsidiary of the Company. It is incorporated in Hong Kong with limited liability and is principally engaged in provision of money lending services in Hong Kong.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

“Board”	the board of Directors of the Company
“Borrowers”	Cheng Chi Ming, Wong Sui Ching, Cheng Hei Lam and Cheng Long, the borrowers under the Existing Loan Agreement and the Loan Agreement
“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
“Existing Loan”	the mortgage loan in the principal amount of HK\$5,000,000 granted by Innovax Credit to the Borrowers pursuant to the Existing Loan Agreement
“Existing Loan Agreement”	the mortgage loan agreement dated 30 January 2023 entered into between Innovax Credit and the Borrowers, as borrowers and mortgagors
“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(ies)”	third party(ies) independent of the Company and connected persons of the Company

“Innovax Credit”	Innovax Credit Limited, a limited liability company incorporated under the laws of Hong Kong which is a licensed money lender under the Money Lenders Ordinance (Money Lender’s Licence No. 1940/2023, and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the mortgage loan in the principal amount of HK\$4,000,000 granted by Innovax Credit to the Borrowers pursuant to the Loan Agreement
“Loan Agreement”	the mortgage loan agreement dated 25 April 2024 entered into between Innovax Credit and the Borrowers, as borrowers and mortgagors
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)
“Mortgagors”	the Borrowers
“Shareholder(s)”	holder(s) of issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 25 April 2024

As at the date of this announcement, the Board comprises: Mr. Chung Chi Man as the chairman of the Board and an executive Director, Mr. Poon Siu Kuen, Calvin as the chief executive officer of the Company and an executive Director, and Dr. Wu Kwun Hing, Mr. Yip Siu Hong and Ms. Chan Ka Lai, Vanessa as the 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.