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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 DISPOSAL OF LISTED SECURITIES

THE DISPOSAL

On 4 October 2024, the Vendor disposed of an aggregate of 4,000,000 HG Semiconductor Shares on the open market at an aggregate consideration of approximately HK\$5.40 million (exclusive of transaction costs) at an average price of approximately HK\$1.35 per HG Semiconductor Share.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

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As the Disposal was made through the open market, the identities of the purchasers of the HG Semiconductor Shares cannot be ascertained. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the purchasers of the HG Semiconductor Shares and their respective ultimate beneficial owners are Independent Third Parties.

The aggregate gross sale proceeds from the Disposal amount to approximately HK\$5.40 million (exclusive of transaction costs), which is receivable in cash on settlement. The consideration for the Disposal represented the prevailing market price of the HG Semiconductor Shares at the time of the Disposal.

INFORMATION OF HG SEMICONDUCTOR

HG Semiconductor is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board (stock code: 6908).

The principal activity of HG Semiconductor is investment holding and its subsidiaries are principally engaged in the design, development, manufacturing and sale of semiconductor products, including light emitting diode beads, gallium nitride (“GaN”) chips, and GaN components and related application products in China.

The following financial information is extracted from the annual report of HG Semiconductor for the year ended 31 December 2023:

	Year Ended 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	88,600	87,518
Loss before income tax credit	(160,509)	(101,646)
Loss for the year	(157,573)	(101,287)
Net assets	720,610	609,945

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Disposal provides the Group with an opportunity to realise its investment in HG Semiconductor and reallocate its financial resources for other investment opportunities. As the Disposal was made on the open market at prevailing market price, the Directors consider that the Disposal was conducted on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS

It is expected that the Group will recognise a gain of approximately HK\$3.64 million as a result of the Disposal, being the difference between the consideration received from the Disposal and the aggregated costs of the HG Semiconductor Shares (exclusive of transaction costs), subject to auditors’ review.

The proceeds from the Disposal (exclusive of transaction costs), which amounted to approximately HK\$5.40 million, will be used as general working capital of the Group.

INFORMATION OF THE GROUP AND THE VENDOR

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

The Vendor is an indirect wholly-owned subsidiary of the Company. It is incorporated in BVI with limited liability and is principally engaged in provision of management services in Hong Kong.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

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
“BVI”	The British Virgin Islands
“Company”	Innovax Holdings Limited (創陞控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board (stock code: 2680)
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of 4,000,000 HG Semiconductor Shares on the open market conducted on 4 October 2024 at an aggregate consideration of approximately HK\$5.40 million (exclusive of transaction costs)
“Group”	the Company and its subsidiaries
“HG Semiconductor”	HG Semiconductor Limited (宏光半導體有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board (stock code: 6908)
“HG Semiconductor Share(s)”	the ordinary share(s) issued by HG Semiconductor, which are listed on the Main Board
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Shareholder(s)”	holder(s) of the issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Innovax Management Limited (創陞管理有限公司), a company incorporated in BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 6 October 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.