

INNOVAX HOLDINGS LTD:
HOW TO MAKE HAY WHILE THE SUN SHINES

One may well ponder how did Mr Chung Chi Man () obtain the moxie that he has clearly demonstrated so that, within four years, the Total Revenue of the company that he founded in 2014 went from zero to \$HK84,052,000 while the Net Profit Attributable to Shareholders went from zero to \$HK25,431,000.

Mr Chung Chi Man is the Chairman of Innovax Holdings Ltd () (Code: 2680, Main Board, The Stock Exchange of Hongkong Ltd).

The answer to the intimated question, posed at the first paragraph of this report, may well lie in this former banker's past while in the employ of Convoy Financial Services Ltd (), a wholly owned subsidiary of Convoy Global Holdings Ltd () (Code: 1019, Main Board, The Stock Exchange of Hongkong Ltd).

More about this gentleman, later.

The Initial Public Offering (IPO) Of Innovax Holdings Ltd

Innovax Holdings Ltd issued and disseminated its Global Offering Prospectus on August 31, 2018.

The Company Offered 100 million, one-cent Shares at the Indicative Offer Price Range from a low of \$HK1.30 to a high of \$HK1.80.

Investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were Offered the opportunity to subscribe to 10 million Shares on Offer and International Investors

(Institutional, Professional, and/or select Well-Heeled Investors) were asked to ante up with regard to the remaining 90 million Shares on Offer.

On September 9, 2018, Management of Innovax Holdings Ltd, in an announcement in respect of the Offer Price Per Share and the Allotment Results, informed the successful investors that the Share Price had been struck at \$HK1.80 – the highest level of the Indicative Offer Price Range Per Share – and that the Company anticipated, netting about \$HK158 million from this cash-raising exercise.

At Page Seven of this announcement, it was stated that Management ‘*currently intends*’ to utilise the net proceeds, derived from this IPO, as follows:

1. Approximately, 50 percent, that is about \$HK79.00 million, ‘*will be used for increasing the Group’s capital for the expansion of its placing and underwriting business, among which, (i) approximately HK\$71.1 million, representing 45% of the net proceeds, will be used to expand our placing and underwriting service for IPO sponsorship projects sponsored by the Group; and (ii) approximately HK\$7.9 million, representing approximately 5% of the net proceeds, will be used to expand the Group’s placing and underwriting service for (a) IPO sponsorship projects sponsored by other sponsors; or (b) non-IPO fund raising transactions*’;
2. Approximately, 20 percent, that is about \$HK31.60 million, ‘*will be used for increasing the Group’s capital for the expansion of its securities financing business*’;
3. Approximately, 10 percent, that is about \$HK15.80 million, ‘*will be used for enhancing and developing the Group’s corporate finance advisory business by attracting more talents and expanding its corporate finance team*’;
4. Approximately, 10 percent, that is about \$HK15.80 million, ‘*will be used for expanding the Group’s asset management business*’; and,
5. Approximately, 10 percent, that is about \$HK15.80 million, ‘*will be used for the Group’s working capital requirement and general corporate purposes.*’

The Business Of Innovax Holdings Ltd

As has already been made obvious in this report, Innovax Holdings Ltd is a financial and securities service

provider in the HKSAR.

The Company was incorporated in the Cayman Islands on June 14, 2016.

The history of Innovax Holdings Ltd and its subsidiaries, however, can be traced back to the incorporation in the HKSAR of Innovax Capital Ltd ().

That was on June 9, 2014.

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