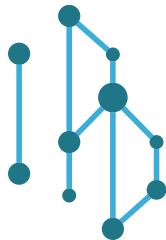


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INNOVATIVE PHARMACEUTICAL BIOTECH LIMITED **領航醫藥及生物科技有限公司**

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 399)

CLARIFICATION ANNOUNCEMENT AND LAPSE OF PROPOSED CAPITAL INJECTION INTO A JOINT VENTURE

Reference is made to the announcements of the Company dated 7 April 2016 and 23 May 2016 in relation to, among others, the proposed Capital Injection (the “Announcements”). Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

CLARIFICATION

The Board wishes to clarify that there was a typographical error in the announcement of the Company dated 23 May 2016 and the third paragraph therein should be read as follows:-

“On 23 May 2016 (after trading hours), the parties to the Capital Injection Agreement entered into a second supplemental agreement to the Capital Injection Agreement, pursuant to which, among others, the parties thereto agreed to extend the Long Stop Date to 6 June 2016.”

Save for the above, all other information in the said announcement remains unchanged.

LAPSE OF CAPITAL INJECTION AGREEMENT

The Board announces that as certain conditions precedent to the Capital Injection Agreement (the “**Conditions**”) are not fulfilled as at 6 June 2016, the Capital Injection Agreement is therefore lapsed. Top Nice shall be treated as being discharged and released from the Capital Injection Agreement and all of its rights and obligations thereunder shall then be taken up by Ming Travel.

In addition, pursuant to the Escrow Agreement, the Escrow Fund deposited, being a total of HK\$150,000,000 as at the date of this announcement, shall be returned to Top Nice within two business days after failing to satisfy the release conditions which are substantially the same as the Conditions.

The Board considers that the lapse of the Capital Injection Agreement has no material adverse impact on the existing business, operation and financial position of the Group.

By order of the Board

Innovative Pharmaceutical Biotech Limited

Tang Rong

Executive Director

Hong Kong, 6 June 2016

As at the date of this announcement, the Board comprises Ms. Jiang Nian (chairman & non-executive Director), Mr. Gao Yuan Xing (executive Director), Mr. Tang Rong (executive Director), Ms. Wu Yanmin (non-executive Director), Ms. Xiao Yan (non-executive Director), Ms. Chen Weijun (independent non-executive Director), Dr. Zhang Zhihong (independent non-executive Director) and Mr. Wang Rongliang (independent non-executive Director).