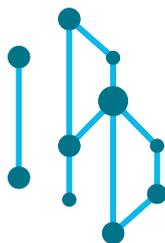


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INNOVATIVE PHARMACEUTICAL BIOTECH LIMITED

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)

VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION IN RELATION TO PROPOSED DISPOSAL OF APPROXIMATELY 19.14% ISSUED SHARE CAPITAL OF AND AN AGGREGATE OF HK\$577,170,000 CONVERTIBLE BONDS ISSUED BY EXTRAWELL PHARMACEUTICAL HOLDINGS LIMITED (STOCK CODE: 858) AND TRADING HALT

Reference is made to the announcement issued by Innovative Pharmaceutical Biotech Limited (the “**Company**”) at 8:51 a.m. on 24 June 2019 pursuant to which the Company announced that trading in the shares of the Company on The Stock Exchange of Hong Kong Limited will be halted with effect from 9:00 a.m. on 24 June 2019 pending the publication of an announcement in relation to a possible very substantial disposal by the Company.

The Board wishes to announce that on 23 June 2019, the Company and Dr. Mao Yumin (the “**Purchaser**”), being a substantial shareholder (having the meaning under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) of the Company, entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) pursuant to which the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire (i) 457,510,000 ordinary share(s) of par value HK\$0.01 each in the issued share capital of Extrawell Pharmaceutical Holdings Limited (stock code: 00858) (the “**Target Company**”) (the “**Sale Shares**”) and (ii) the convertible bonds issued by the Target Company in an aggregate principal amount of HK\$577,170,000 with the conversion right to convert into 900,000,000 ordinary shares of the Target Company at a conversion price of HK\$0.6413 with nil interest (the “**Sale Convertible Bonds**”) at an aggregate consideration of HK\$270,000,000 (the “**Disposal**”).

The Sale Shares represent approximately 19.14% issued share capital of the Target Company which is an associate company of the Company and the financial results of which have not been consolidated in the results of the Company. Immediately after the Disposal, the Company will no longer hold any shares and convertible bonds of the Target Company.

As one or more of the relevant percentage ratios for the Disposal exceeds 75%, the entering into of the Sale and Purchase Agreement constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules. Furthermore, as at the date of this announcement, the Purchaser is a substantial shareholder of the Company and therefore is a connected person of the Company. The Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As a result, the Sale and Purchase Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and approval from the independent shareholders of the Company at general meeting under the Listing Rules.

The Company is preparing and will publish an announcement containing details of the Disposal in accordance with the Listing Rules. Trading of the shares of the Company will continue be halted pending the publication of such announcement.

By Order of the Board
Innovative Pharmaceutical Biotech Limited
Tang Rong
Executive Director

Hong Kong, 24 June 2019

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. Huang He (executive director), Ms. Xiao Yan (non-executive director), Ms. Wu Yanmin (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).