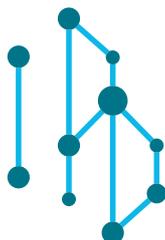


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 28 March 2024 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure on a best effort basis currently expected to be not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 114,000,000 Placing Shares at the Placing Price of HK\$0.175 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum of 114,000,000 Placing Shares represent (i) approximately 6.62% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 6.21% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

The Placing Price of HK\$0.175 per Placing Share represents: (i) a discount of approximately 12.5% to the closing price of HK\$0.20 per Share as quoted on the Stock Exchange on 28 March 2024, being the date of the Placing Agreement; and (ii) a discount of approximately 12.85% to the average closing price of approximately HK\$0.2008 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Shares will be allotted and issued pursuant to the General Mandate and is not subject to further Shareholders' approval. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$19,950,000. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing of approximately HK\$1,746,000, are estimated to be approximately HK\$18,204,000. The Company intends to apply the net proceeds in full from the Placing for the general working capital of the Group.

Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the conditions set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 28 March, 2024 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure on a best effort basis not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 114,000,000 Placing Shares at the Placing Price of HK\$0.175 per Placing Share. Details of the Placing Agreement are set out below:

The Placing Agreement

Date: 28 March, 2024

Parties: (i) the Company, as issuer; and
(ii) CNI Securities Group Limited, as placing agent.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties. As at the date of this announcement, the Placing Agent is not interested in any Shares.

Pursuant to the terms of the Placing Agreement, the Placing Agent will receive a placing commission of 8% of the amount which is equal to the Placing Price multiplied by the number of Placing Shares actually placed by the Placing Agent. The placing commission in respect of the Placing was negotiated on arm's length basis between the Company and the Placing Agent and was determined with reference to, among other things, the prevailing commission rate charged by other placing agents and the price performance of the Shares.

The Directors consider that the placing commission in respect of the Placing are fair and reasonable based on the current market conditions.

Placees

The Placing Shares will be placed to currently expected to be not less than six Placees who shall be professional, institutional or other investors independent of and not connected with the Company, the connected persons of the Company and their respective associates, and who and whose ultimate beneficial owners are Independent Third Parties. Upon completion of the Placing, it is expected that none of the Placees will become a substantial Shareholder. If any of the Placees will become a substantial Shareholder after completion of the Placing, further announcement will be made by the Company.

Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum of 114,000,000 Placing Shares represent (i) approximately 6.62% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 6.21% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

The aggregate nominal value of the maximum of 114,000,000 Placing Shares is HK\$1,140,000.

Ranking of the Placing Shares

The Placing Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.175 per Placing Share represents:

- (i) a discount of approximately 12.5% to the closing price of HK\$0.20 per Share as quoted on the Stock Exchange on 28 March 2024, being the date of the Placing Agreement; and
- (ii) a discount of approximately 12.85% to the average closing price of approximately HK\$0.2008 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The net Placing Price (after deducting the costs and expenses of the Placing) is approximately HK\$0.16 per Placing Share. Based on a nominal value of HK\$0.01 per Share, the aggregate nominal value of the Placing Shares is HK\$1,140,000.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price and the recent trading performance of the Shares. The Directors consider that the Placing Price and the terms of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions of the Placing

The Placing is conditional upon the fulfilment of the following conditions:

- (i) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Placing Shares; and
- (ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained.

In the event that any of the above conditions is not fulfilled on or before 18 April 2024 (or such other date as may be agreed between the parties to the Placing Agreement in writing), all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and terminate and neither of the parties thereto shall have any claim against the other save for any antecedent breach under the Placing Agreement prior to such termination.

Completion of the Placing

Completion of the Placing shall take place on a date falling within four Business Days after the day on which all the conditions set out in the Placing Agreement have been fulfilled (or such other date as may be agreed between the parties to the Placing Agreement in writing).

Application for listing

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

General Mandate to issue the Placing Shares

The Placing Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 292,838,604 Shares. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. The General Mandate is sufficient for the allotment and issue of all the Placing Shares. As such, the issue of the Placing Shares is not subject to further Shareholders' approval. The General Mandate will be fully utilised upon the allotment and issue of all the Placing Shares.

Termination

The Placing Agent may terminate the Placing Agreement without any liability to the Company save for antecedent breach under the Placing Agreement prior to such termination, by notice in writing given to the Company at any time prior to 8:00 a.m. on the date of completion of the Placing upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or has or may otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or

- (ii) the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would adversely affect the success of the Placing; or
- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) any litigation or claim being instigated against any member of the Group, which has or may have an adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (v) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (vi) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of completion of the Placing which if had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement; or
- (vii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

If notice is given pursuant to the above, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement prior to such termination.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The Group is principally a Hong Kong-based marine construction works subcontractor specialising in reclamation works and supplemented by vessel chartering services and other civil engineering works.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$19,950,000. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing of approximately HK\$1,746,000, are estimated to be approximately HK\$18,204,000, representing a net issue price of approximately HK\$0.16 per Placing Share. The Company intends to apply the net proceeds in full from the Placing for the general working capital of the Group.

The Directors consider that the Placing represents an opportunity to raise additional funding for the business operations of the Group and will strengthen the Group's financial position, and enlarge shareholders' base of the Company which may in turn enhance the liquidity of the Shares, and provide working capital to the Group to meet any financial obligations of the Group without any interest burden, within a relatively shorter time frame and at lower costs when compared with other means of fundraising.

The Directors has considered other alternative fund-raising methods such as debt financing, rights issue or open offer. The Directors considered that debt financing may incur interest burden on the Group and may be subject to lengthy due diligence and negotiations with the banks with reference to the Group's financial position and the then financial market condition and it may be relatively uncertain and time-consuming. On the other hand, rights issue or open offer may also involve relatively substantial time and cost to complete as compared to the equity financing through issue of the new Shares under the General Mandate.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

CHANGES IN SHAREHOLDING STRUCTURE

The changes in the shareholding structure of the Company as a result of the Placing (assuming that there are no other changes in the issued share capital of the Company from the date of this announcement up to and immediately after completion of the Placing) are as follows:

	As at the date of this announcement		Immediately after completion of the Placing (assuming all the Placing Shares are fully placed)	
	Number of Shares	Approx.%	Number of Shares	Approx.%
<i>Director</i>				
Mr. Tang Rong	396,200	0.02	396,200	0.02
<i>Substantial Shareholders</i>				
Dr. Mao Yumin	427,200,000	24.79	427,200,000	23.25
China United Gene Investment Holdings Limited (Note 1)	7,770,810	0.45	7,770,810	0.42
JNJ Investments Limited (Note 2)	55,000,000	3.19	55,000,000	2.99
Mr. Chau Yiu Ting	428,600,000	24.87	428,600,000	23.33
The Placees	—	—	114,000,000	6.21
Other public Shareholders	804,226,014	46.68	804,226,014	43.78
Total	<u>1,723,193,024</u>	<u>100.00</u>	<u>1,837,193,024</u>	<u>100.00</u>

Notes:

- China United Gene Investment Holdings Limited is owned as to 60.0% by Best Champion Holdings Limited. Best Champion Holdings Limited is owned as to 33.5%, 33.5% and 33.0% by United Gene Holdings Limited, Ease Gold Investments Limited and Victory Trend Limited, respectively. United Gene Holdings Limited is wholly owned by Dr. Mao Yumin. Ease Gold Investments Limited is wholly owned by Dr. Xie Yi. Victory Trend Limited is wholly owned by Good Links Limited, which is in turn owned as to 50% by Dr. Mao Yumin and as to 50% by Dr. Xie Yi.
- JNJ Investments Limited is a wholly-owned subsidiary of Blowindow Gene Development (Hong Kong) Limited, which in turn is a wholly-owned subsidiary of United Gene Group Limited, which is owned as to 33% by United Gene Holdings Limited. United Gene Holdings is wholly owned by Dr. Mao Yumin.
- Certain percentage figures in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Save for the conditional subscription of 292,830,000 Shares by Zenyth Capital Limited pursuant to the subscription agreement dated 26 July 2023 (as amended and supplemented by the extension letter dated 22 August 2023) with estimated net proceeds of approximately HK\$58,000,000 intended for general working capital use of the Group, which was subsequently terminated by the deed of termination dated 4 September 2023, the Company did not conduct any fundraising activities involving the issue of equity securities within the 12 months immediately prior to the date of this announcement.

Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the conditions set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Company”	Innovative Pharmaceutical Biotech Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange (stock code: 399)
“connected person(s)”	has the meaning as ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company

“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the annual general meeting of the Company held on 30 August 2023 to allot, issue and deal with new Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of passing of such resolution, pursuant to which a maximum of 292,838,064 new Shares may fall to be allotted and issued as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) (if applicable) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any person or entity procured by the Placing Agent or its agent(s) to subscribe for any Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 114,000,000 Placing Shares on and subject to the terms and condition set out in the Placing Agreement
“Placing Agent”	CNI Securities Group Limited, a corporation licensed to carry on type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement dated 28 March 2024 and entered into between the Company and the Placing Agent in relation to the Placing

“Placing Price”	HK\$0.175 per Placing Share (exclusive of any brokerage, Securities and Futures Commission transaction levy and Stock Exchange trading fee as may be payable)
“Placing Share(s)”	a total of up to 114,000,000 new Shares to be placed pursuant to the Placing Agreement and to be issued under the General Mandate, each a “Placing Share”
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, modified and supplemented from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 28 March 2024

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), Mr. Cheng Tak Yiu (executive Director), Ms. Xiao Yan (non-executive Director), Ms. Wu Yanmin (non-executive Director), Ms. Chen Weijun (independent non-executive Director), Mr. Chen Jinzhong (independent non-executive Director) and Mr. Wang Rongliang (independent non-executive Director).