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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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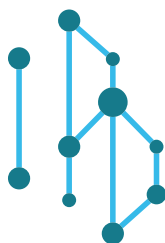
**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Innovative Pharmaceutical Biotech Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

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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)**

### AMENDMENT OF THE TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS AND NOTICE OF SPECIAL GENERAL MEETING

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Capitalised terms used in this cover page shall have the same meanings as those defined in this circular unless otherwise stated.

A letter from the Board is set out on pages 5 to 17 of this circular. A notice convening the SGM to be held at Falcon Room I, Basement, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on Friday, 4 October 2019 at 12:00 noon (or immediately after the conclusion or adjournment of the special general meeting of the Company to be held at 11:00 a.m. on the same day) is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for the SGM is enclosed with this circular. Whether or not you intend to attend the SGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon, and return the same to the branch share registrar and transfer agent of the Company, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the SGM or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting should you so wish.

13 September 2019

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“2018 Interest Payment”	being (i) the interest for the Interest Payment Year 2018 in the sum of HK\$25,025,000; and (ii) the additional interest calculated at 15% per annum on HK\$25,025,000 accrued from 28 July 2019 to the actual date of payment (both days inclusive) on the basis of a 365-day year
“Amendment”	amendment to the Convertible Bonds pursuant to the terms of the Amendment Deed
“Amendment Deed”	the deed of amendment of the Convertible Bonds between the Company and the Bondholder dated 26 July 2019
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Best Champion”	Best Champion Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Board”	the board of Directors
“Bondholder”	Extrawell Pharmaceutical Holdings Limited (精優藥業控股有限公司) (stock code: 858), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“Business Day(s)”	a day (excluding Saturday and other general holidays in Hong Kong and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business

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## DEFINITIONS

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“China United Gene”	China United Gene Investment Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Company”	Innovative Pharmaceutical Biotech Limited (領航醫藥及生物科技有限公司) (stock code: 399), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Conversion Price”	HK\$2.5 per Conversion Share, subject to adjustments as set out and in accordance with the terms and conditions of the Convertible Bonds
“Conversion Shares”	new Shares to be issued and allotted by the Company upon the exercise of the conversion rights attaching to the Convertible Bonds at the Conversion Price
“Convertible Bonds”	the convertible bonds in an aggregate principal amount of HK\$715,000,000 issued by the Company on 28 July 2014 in favour of the Bondholder with the interest of 3.5% per annum for a conversion period of 7 years from the date of issue
“Deed of Waiver”	the deed of waiver between the Company and the Bondholder dated 26 July 2019
“Director(s)”	the director(s) of the Company
“Ease Gold”	Ease Gold Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

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“Independent Third Party(ies)”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, independent of and not connected nor acting in concert with the Company and the connected person(s) (as defined in the Listing Rules) of the Company
“Interest Payment Year 2018”	for the period from 28 July 2018 to 27 July 2019
“Interest Payment Year 2019”	for the period from 28 July 2019 to 27 July 2020
“Interest Payment Year 2020”	for the period from 28 July 2020 to 27 July 2021
“Latest Practicable Date”	9 September 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	27 January 2020 (or such other date as may be agreed by the Company and the Bondholder in writing)
“Maturity Date”	7th anniversary of the date of issue of the Convertible Bonds
“PRC”	the People’s Republic of China which, for the purpose of this circular only, does not include Hong Kong, the Macau Special Administrative Region and Taiwan
“SGM”	a special general meeting of the Company to be held and convened to consider and, if though fit, to approve the Amendment Deed and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of par value HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the registered holder(s) of the Shares

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## DEFINITIONS

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“Smart Ascent”	Smart Ascent Limited, a company incorporated in Hong Kong with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong
“%”	per cent.

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr. Gao Yuan Xing  
Mr. Tang Rong  
Ms. Huang He

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Non-executive Directors:*

Ms. Jiang Nian (Chairman)  
Ms. Xiao Yan  
Ms. Wu Yanmin

*Principal Place of Business in Hong Kong:*

Unit No. 2111, 21/F  
West Tower Shun Tak Centre  
Nos. 168-200  
Connaught Road Central  
Sheung Wan  
Hong Kong

*Independent non-executive Directors:*

Ms. Chen Weijun  
Dr. Zhang Zhihong  
Mr. Wang Rongliang

13 September 2019

*To the Shareholder(s),*

Dear Sir or Madam,

### AMENDMENT OF THE TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS AND NOTICE OF SPECIAL GENERAL MEETING

#### INTRODUCTION

Reference is made to 1) the announcements of the Company dated 18 March 2014 and 28 July 2014 and the circular of the Company dated 26 June 2014 in relation to the sale and purchase of 51% interest in the share capital of Smart Ascent and issue of the Convertible Bonds by the Company to the Bondholder. As part of the consideration of the acquisition of Smart Ascent, on 28

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## LETTER FROM THE BOARD

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July 2014, the Company issued the Convertible Bonds in the principal amount of HK\$715,000,000; and 2) the announcement of the Company dated 28 July 2019 in relation to the Amendment Deed, the Deed of Waiver and the transactions contemplated thereunder.

As at the Latest Practicable Date, the Conversion Price of the Convertible Bonds has not been adjusted, none of the Convertible Bonds has been converted or redeemed, and the Convertible Bonds in the aggregate principal amount of HK\$715,000,000 held by the Bondholder are still outstanding.

### THE AMENDMENT DEED

On 26 July 2019 (after trading hours), the Company and the Bondholder entered into the Amendment Deed, details of which are summarised as follows:

**Date:** 26 July 2019

**Parties:** (1) The Company as the issuer; and  
(2) The Bondholder as the holder of the Convertible Bonds

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for i) the Bondholder holding the Convertible Bonds in an aggregate principal amount of HK\$715,000,000 issued by the Company pursuant to an instrument of the Company dated 24 July 2014 with 3.5% interest per annum; and ii) the Company holding 457,510,000 shares of the Bondholder representing approximately 19.14% of its entire issued share capital and the convertible bonds in an aggregate outstanding principal amount of HK\$577,170,000 issued by the Bondholder to the Company on 29 October 2013, 25 April 2014, 1 September 2014, 7 January 2015 and 7 May 2015 with nil interest, the Bondholder and its ultimate beneficial owners are Independent Third Parties and are not existing beneficial owners of any Shares nor are they interested in any Shares (other than through the Convertible Bonds, attaching to which the conversion rights have not been exercised at all).

### The Amendment

Pursuant to the Amendment Deed, the Company and the Bondholder have conditionally agreed to amend the interest payment terms of the Convertible Bonds to the effect that i) the interest payment due dates shall be amended from payment of interest in arrears annually to payment of interest for the Interest Payment Year 2018, Interest Payment Year 2019 and Interest Payment Year 2020 on or before 28 July 2021; and ii) the Company shall pay to the Bondholder a sum of additional interest in the amount of HK\$11,261,250 on 28 July 2021 (representing 15% per



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## LETTER FROM THE BOARD

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annum on the annual interest payment under the Convertible Bonds multiplied by three), being the additional interest for 2-year extension for the payment of interest for Interest Payment Year 2018 and 1 year extension for payment of interest for Interest Payment Year 2019.

Save for the aforesaid, all other terms of the Convertible Bonds remain unchanged.

### **Conditions Precedent**

The taking effect of the Amendment will be subject to the fulfilment of all of the following conditions precedent on or before the Long Stop Date:

- (A) the Stock Exchange having approved the Amendment Deed in accordance with Rule 28.05 of the Listing Rules;
- (B) each of the Company and the Bondholder having obtained all necessary consents and approvals in respect of the Amendment Deed and the transaction contemplated thereunder in compliance with the relevant laws and regulations;
- (C) (if necessary) each of the Company and the Bondholder having convened a special general meeting at which the necessary resolutions shall have been duly passed by the shareholders of each of the Company and Bondholder to approve the Amendment Deed and the transactions contemplated thereunder; and
- (D) the Bondholder having passed a written resolution of the bondholder meeting to approve the Amendment Deed and the transactions contemplated thereunder.

None of the above conditions precedent can be waived. If any of the above conditions precedent has not been fulfilled at or before 5 p.m. on the Long Stop Date, the Amendment Deed shall automatically be terminated and will have no further effect on any parties to the Amendment Deed. As at the Latest Practicable Date, none of the above conditions precedent have been fulfilled.

### **DEED OF WAIVER**

On 26 July 2019 (after trading hours), the Bondholder also entered into the Deed of Waiver in favour of the Company.

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## LETTER FROM THE BOARD

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In consideration of the Company agreeing to make and effect payment(s) pursuant to the Deed of Waiver, the Bondholder agreed during the period from and including the date of the Amendment Deed to the date on which the last condition precedent of the Amendment Deed is fulfilled or the date the Amendment Deed is terminated (whichever is earlier), (i) to grant to the Company an unconditional waiver in respect of the obligation of the Company to pay the interest payment for the Interest Payment Year 2018 and not to take any steps to enforce or make demand for the interest payment for the Interest Payment Year 2018; (ii) not to exercise any right or remedy that the Bondholder would otherwise be entitled to exercise in respect of the Convertible Bonds as a result of the occurrence of any events of default as stipulated in the conditions of the Convertible Bonds arising from or in connection with the interest payment for the Interest Payment Year 2018; and (iii) not to take any steps, directly or indirectly, to wind up or appoint a receiver, administrator, administrative receiver or compulsory manager over, or to commence any other insolvency related proceedings (or any analogous proceedings in any other jurisdiction) against, the Company or any assets of the Company.

Pursuant to the Amendment Deed, if any of the conditions precedent under the Amendment Deed has not been fulfilled at or before 5 p.m. on the Long Stop Date, the Amendment Deed will automatically be terminated and will have no further effect on any party to the Amendment Deed. In such circumstances, the Company and the Bondholder agree that the Company shall within 15 Business Days from the Long Stop Date pay to the Bondholder the 2018 Interest Payment.

The parties agree and acknowledge that if the Amendment Deed is terminated as mentioned above, the Company shall effect (i) payment of 2018 Interest Payment at the time as stipulated above; and (ii) payment of interest for the Interest Payment Year 2019 and Interest Payment Year 2020 at the time as prescribed in the Convertible Bonds, i.e. payable in arrears annually.

### TERMS OF THE CONVERTIBLE BONDS

Subject to the fulfilment of the conditions precedent to the Amendment, the principal terms of the Convertible Bonds (as amended by the Amendment Deed) will be as follows:

Principal amount	:	An aggregate principal amount of up to HK\$715,000,000
Maturity date	:	7th anniversary of the date of issue

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## LETTER FROM THE BOARD

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Interest : 3.5% per annum

The interest payment due dates for the Interest Payment Year 2018, Interest Payment Year 2019 and Interest Payment Year 2020 shall be on or before 28 July 2021.

The Company shall pay to the Bondholder a sum of additional interest in the amount of HK\$11,261,250 on 28 July 2021 (representing 15% per annum on the annual interest payment under the Convertible Bonds multiplied by three), being the additional interest for 2-year extension for the payment of interest for Interest Payment Year 2018 and 1 year extension for payment of interest for Interest Payment Year 2019.

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## LETTER FROM THE BOARD

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Conversion Price : The Conversion Price is HK\$2.5 per Conversion Share, subject to adjustments as set out and in accordance with the terms and conditions of the Convertible Bonds.

The Conversion Price of HK\$2.5 represents:

- (i) a premium of approximately 604.23% to the closing price of HK\$0.355 per Share as quoted on the Stock Exchange on the last trading date of signing of the Amendment Deed;
- (ii) a premium of approximately 604.23% to the average closing price of HK\$0.355 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of signing of the Amendment Deed;
- (iii) a premium of approximately 604.23% to the average closing price of approximately HK\$0.355 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of signing of the Amendment Deed;
- (iv) a premium of approximately 657.58% to the closing price of HK\$0.33 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (v) a premium of approximately 360.54% to the net asset price of approximately HK\$0.54 per Share, calculated based on the audited consolidated net assets of HK\$794,812,000 as at 31 March 2019 and 1,464,193,024 Shares in issue as at the date of the Amendment Deed.

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## LETTER FROM THE BOARD

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- Adjustment events : The Conversion Price shall from time to time be adjusted upon occurrences of certain events, including but not limited to the followings:
- (i) consolidation or sub-division of Shares;
  - (ii) capitalisation of profits;
  - (iii) capital distribution;
  - (iv) issue of Shares by way of rights, options and warrants;
  - (v) issue of any securities if and whenever the Company shall issue wholly for cash which are convertible into, exchangeable for or carry rights of subscription for Shares;
  - (vi) modification of rights of conversion or exchange or subscription attaching to any such securities;
  - (vii) issue of Shares wholly for cash at more than 20% discount to the market price of such Shares; and
  - (viii) issue of Shares for acquisition of asset at more than 20% discount to the market price of such Shares.
- Conversion Shares : Based on the initial Conversion Price of HK\$2.5, a maximum number of 286,000,000 Conversion Shares will be allotted and issued upon exercised in full of the conversion rights attaching to the Convertible Bonds, which represent:
- (i) approximately 19.53% of the total issued share capital of the Company as at the Latest Practicable Date; and
  - (ii) approximately 16.34% of the total issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon exercise in full of the conversion rights attaching to Convertible Bonds.

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## LETTER FROM THE BOARD

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Conversion Rights : Each holder of the Convertible Bonds shall have the right, exercisable during the Conversion Period (as defined below) to convert the whole or any part (in multiples of HK\$35,750,000) of the outstanding principal amount of the Convertible Bonds held by such holder of the Convertible Bonds into such number of Conversion Shares as will be determined by dividing the principal amount of the Convertible Bonds to be converted by the Conversion Price in effect on the date of conversion.

No fraction of a Share shall be issued on conversion of the Convertible Bonds and no cash adjustments will be made.

Conversion Restrictions : Upon exercise of the conversion rights attaching to the Convertible Bonds,

(i) the holders of Convertible Bonds and their respective associates, together with parties acting in concert (as defined in the Takeovers Code) with them, will not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code; and

(ii) the public float of the Company will not be unable to meet the relevant requirements under the Listing Rules.

Conversion Period : The period commencing from the date of issue of the Convertible Bonds and ending on the day which falls on the 7th anniversary of the date of issue of the Convertible Bonds.

Early Redemption : The Company shall not be entitled to redeem all or part of the outstanding Convertible Bonds prior to the Maturity Date.

The Company or any of its subsidiaries may at any time and from time to time purchase the Convertible Bonds at any price as agreed between the Company or such subsidiary and the relevant holder of the Convertible Bonds.

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## LETTER FROM THE BOARD

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Furthermore, according to the instrument constituting the Convertible Bonds, the holders of the Convertible Bonds do not have the right to early redemption of all or part of the outstanding Convertible Bonds prior to the Maturity Date.

Ranking : The Conversion Shares shall rank pari passu in all respects among themselves and with all other existing Shares outstanding at the date of conversion and all Conversion Shares shall include rights to participate in all dividends and other distributions.

Transferability : Any transfer of the Convertible Bonds shall be in respect of the whole or any part (in multiples of HK\$35,750,000) of the principal amount of the Convertible Bonds.

Furthermore, according to the instrument constituting the Convertible Bonds, the Convertible Bonds must not be transferred to any person, firm or company which is a connected person (as defined in the Listing Rules) of the Company except in compliance with the applicable requirements under the Listing Rules and the Takeovers Code.

Application for listing : No application will be made by the Company to the Stock Exchange for listing of the Convertible Bonds. Application has been made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

Notice of conversion by other bondholders : The Company may, upon request by the holders of the Convertible Bonds in writing, notify the holders of the Convertible Bonds about the conversion of the convertible bonds of the Company by other bondholders within 7 Business Days from the date of receipt of the relevant conversion notice.

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## LETTER FROM THE BOARD

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### EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table shows the shareholding of the Company (i) as at the Latest Practicable Date; and (ii) assuming full conversion of the Convertible Bonds (assuming no further issue or repurchase of the Shares):

Shareholders	As at the Latest Practicable Date		Assuming full conversion of the Convertible Bonds	
	<i>No. of shares</i>	<i>Approximate %</i>	<i>No. of shares</i>	<i>Approximate %</i>
The Bondholder	—	0.00%	286,000,000	16.34%
Other Shareholders	1,464,193,024	100.00%	1,464,193,024	83.66%
<b>Total</b>	<u>1,464,193,024</u>	<u>100.00%</u>	<u>1,750,193,024</u>	<u>100.00%</u>

### INFORMATION OF THE COMPANY

The Company is an investment holding company. The Group is principally engaged in (i) trading of beauty equipment and products in Hong Kong; (ii) securities investment in Hong Kong and outside Hong Kong; and (iii) research, development and commercialization of the oral insulin products.

### INFORMATION OF THE BONDHOLDER

The Bondholder is a company incorporated in Bermuda with limited liability. The shares of the Bondholder are listed on the main board of the Stock Exchange with stock code 858. According to the public information, the Bondholder is an investment holding company and its subsidiaries are principally engaged in (i) the development, manufacture and sales of pharmaceutical products; (ii) the marketing and distribution of imported pharmaceutical products; and (iii) the commercial exploitation and development of genomelated technologies.

### REASONS FOR THE AMENDMENT

The interest payment for the Interest Payment Year 2018 will be due on 28 July 2019 upon which the Company would be required to deploy its cash reserves to pay the interest payment for the Interest Payment Year 2018. The Amendment in effect allows the Company to utilise the Company's working capital in a more flexible way.



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## LETTER FROM THE BOARD

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The amount of additional interest to be paid (i.e. HK\$11,261,250) caused by the Amendment was determined at arm's length negotiation between the parties having considered (i) the prevailing market rate; and (ii) the current financial and cash position of the Group and the benefits which the Amendment would bring to the Group including alleviation of immediate funding needs of the Group to repay the interest under the Convertible Bonds and reservation of fund for the Company's future business development.

In view of the above, the Directors consider that the terms of the Amendment Deed and the Deed of Waiver are fair and reasonable and they are in the interests of the Company and its Shareholders as a whole.

### LISTING RULES IMPLICATIONS

Pursuant to Rule 28.05 of the Listing Rules, any alteration in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alteration takes effect automatically under the existing terms of such convertible debt securities. The Company will obtain approval from the Stock Exchange of the Amendment contemplated by the Amendment Deed pursuant to Rule 28.05 of the Listing Rules.

### THE SGM

The SGM will be held and convened for the purpose of considering and, if thought fit, approving the Amendment Deed and the transactions contemplated thereunder.

As at the Latest Practicable Date, Dr. Xie Yi owns the entire issued share capital of Ease Gold which owns 33.5% interest in Best Champion which in turn owns 60% interest in China United Gene and China United Gene is interested in 13,951,350 Shares. Dr. Xie Yi is the chairman, chief executive officer and executive director of the Bondholder and therefore Dr. Xie Yi is considered to be materially interested in the Amendment. China United Gene and its associates are required to abstain from voting on the resolution(s) proposed to be passed at the SGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for China United Gene and its associates, no Shareholders are required to abstain from voting on the resolutions to be proposed at the SGM.

A notice convening the SGM to be held at Falcon Room I, Basement, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on Friday, 4 October 2019 at 12:00 noon (or immediately after the conclusion or adjournment of the special general meeting of the Company to be held at 11:00a.m. on the same day) is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for the SGM is enclosed with this circular. Whether or not you intend to attend the SGM in person, you are requested to complete the accompanying form of proxy in

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## LETTER FROM THE BOARD

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accordance with the instructions printed thereon, and return the same to the branch share registrar and transfer agent of the Company, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the SGM or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting should you so wish.

Pursuant to rule 13.39(4) of the Listing Rules, the resolution proposed to be approved at the SGM will be taken by poll and an announcement for the result of the SGM will be made by the Company after the SGM.

### RESPONSIBILITY OF THE DIRECTORS

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### RECOMMENDATION

The Board considers that the terms and conditions of the Amendment Deed and the transactions contemplated thereunder have been arrived at after arm's length negotiation between the Company and the Bondholder which are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution as set out in the notice of SGM.

### ADDITIONAL INFORMATION

In the event of inconsistency, the English text of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

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## LETTER FROM THE BOARD

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Shareholders and potential investors should note that the Amendment Deed is conditional upon fulfilment of all conditions precedent therein. The transactions contemplated under the Amendment Deed may or may not materialize. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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

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## NOTICE OF THE SGM

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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)**

### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** a special general meeting (the “**Meeting**”) of Innovative Pharmaceutical Biotech Limited (the “**Company**”) will be convened and held at Falcon Room I, Basement, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on Friday, 4 October 2019 at 12:00 noon (or immediately after the conclusion or adjournment of the special general meeting of the Company to be held at 11:00a.m. on the same day) for the purpose of considering and, if thought fit, passing (with or without modification) the following resolutions:

### ORDINARY RESOLUTION

**1. “THAT:**

- (i) the Amendment Deed dated 26 July 2019 as defined and described in the circular of the Company dated 13 September 2019 (the “**Circular**”) of which this resolution forms part (a copy of the Amendment Deed having been produced at the meeting and marked “A” and initialed by the chairman of the Meeting for the purpose of identification), and the transactions contemplated thereunder and in connection therewith and any other ancillary documents, be and are hereby approved, ratified and/or confirmed; and

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## NOTICE OF THE SGM

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- (ii) the directors of the Company (the “**Directors**”) (or a duly authorised committee thereof) be and are hereby generally and unconditionally authorised to do all such further acts and things and to sign and execute all such other or further documents or agreements and to take all such steps which, in the opinion of the Directors (or a duly authorised committee thereof), may be necessary, appropriate, desirable or expedient to implement and/or give effect to the terms of, or the transactions contemplated by, the Amendment Deed, and to agree to such variation, amendments or waiver of matters relating thereto as are, in the opinion of the Directors (or a duly authorised committee thereof), in the interests of the Company.”

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

13 September 2019

*Registered Office:*  
Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Principal Place of Business in Hong Kong:*  
Unit No. 2111, 21/F.  
West Tower Shun Tak Centre  
168-200 Connaught Road Central  
Sheung Wan, Hong Kong

*Notes:*

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or (if holding two or more shares of the Company (the “**Shares**”)) more proxies to attend and vote in his stead. A proxy need not be a member of the Company. If more than one proxy is appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. To be valid, the form of proxy together with any power of attorney or other authority under which it is signed or a notarially certified copy of that power of attorney or other authority must be deposited with the branch share registrar and transfer agent of the Company in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 48 hours before the time fixed for holding the meeting or any adjournment thereof.
3. When there are joint holders of any Shares, any one of such persons may vote at the Meeting either personally or by proxy in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders are present at the Meeting jointly or by proxy, then one of the said persons so present whose name stands first on the register of members of the Company shall alone be entitled to vote in respect of such Share.

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## NOTICE OF THE SGM

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4. Completion and return of the form of proxy will not preclude members from attending and voting at the Meeting and in such event, the form of proxy shall be deemed to be revoked.
5. For the purposes of holding the SGM, the Register of Members will be closed from Monday, 30 September 2019 to Friday, 4 October 2019 (both days inclusive), during which period no transfer of shares will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 27 September 2019.

*As at the date of this notice, 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).*