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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)**

### **ISSUE OF NEW SHARES UNDER GENERAL MANDATE**

#### **THE SUBSCRIPTION**

On 30 May 2025 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 137,600,000 Shares at the Subscription Price of HK\$0.176 per Subscription Share. The Subscription Shares will be allotted and issued pursuant to the General Mandate.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion, the Subscription Shares represent (i) approximately 7.55% of the existing entire issued share capital of the Company as at the date of this announcement; and (ii) approximately 7.02% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares. The Subscription Price represents (i) a discount of approximately 19.63% to the closing price of HK\$0.219 per Share as quoted on the Stock Exchange on 30 May 2025, being the date of the Subscription Agreement; and (ii) a discount of approximately 17.37% to the average closing price per Share of HK\$0.213 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement.

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

The gross proceeds and net proceeds from the Subscription will be approximately HK\$24,217,600 and HK\$23,917,600 respectively, and are intended to be used for the general working capital of the Group.

**Completion is subject to fulfillment of the conditions precedent under the Subscription Agreement as set out in this announcement. Accordingly, the Subscription may or may not proceed. Holders of securities of the Company and potential investors are reminded to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.**

## INTRODUCTION

On 30 May 2025 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 137,600,000 Shares at the Subscription Price of HK\$0.176 per Subscription Share. The Subscription Shares will be allotted and issued pursuant to the General Mandate.

## SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are set out below.

Date:	30 May 2025
Parties:	(i) the Company, as the issuer; and (ii) Erick Wong, as the Subscriber
Number of Subscription Shares:	137,600,000
Subscription Price:	HK\$0.176 per Subscription Share

### The Subscriber

The Subscriber is a professional investor and is engaged in investments to achieve medium to long-term capital appreciation by investing in listed and unlisted companies mainly in Hong Kong and the PRC.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, the Subscriber is an Independent Third Party. As at the date of this announcement, the Subscriber does not have any interest in the Shares. Upon Completion, he will hold approximately 7.02% of the total number of issued Shares and shall become a substantial shareholder (as defined under the Listing Rules) of the Company.

### **Subscription Shares**

Pursuant to the terms of the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and the Company has agreed to allot and issue 137,600,000 Subscription Shares at HK\$0.176 per Subscription Share, representing:

- (i) approximately 7.55% of the existing entire issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 7.02% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares.

Upon Completion, the Subscriber will become a substantial shareholder (as defined in the Listing Rules) and hence a connected person (as defined in the Listing Rules) of the Company.

### **Subscription Price**

The Subscription Price represents:

- (i) a discount of approximately 19.63% to the closing price of HK\$0.219 per Share as quoted on the Stock Exchange on 30 May 2025, being the date of the Subscription Agreement; and
- (ii) a discount of approximately 17.37% to the average closing price per Share of HK\$0.213 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement.

The market value of the Subscription Shares is approximately HK\$30,134,400, based on the closing price of HK\$0.219 per Share as at the date of the Subscription Agreement.

The Subscription Price was negotiated on an arm's length basis between the Company and the Subscriber with reference to the current market conditions, prevailing market price and recent trading volume of the Shares.

The gross proceeds from the Subscription will be approximately HK\$24,217,600. The net proceeds from the Subscription, after deduction of the relevant expenses, will amount to approximately HK\$23,917,600, representing a net subscription price of approximately HK\$0.174 per Subscription Share.

### **Ranking of Subscription Shares**

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

### **Conditions precedent**

Completion of the Subscription is conditional upon the Company having obtained the listing approval issued by the Stock Exchange in connection with the listing of and permission to deal in the Subscription Shares.

If the foregoing condition is not fulfilled by 5:00 p.m. on 20 June 2025, or such other time and date as may be agreed by the Subscriber and the Company all rights, obligations and liabilities of the Subscriber and the Company under the Subscription Agreement shall cease and determine thereafter and neither party shall have any claim against the other, save for any antecedent breaches of the terms thereof.

### **Completion**

Completion shall take place at 4:00 p.m. on a date within five Business Days (or such other date and time as may be agreed by the Company) after the satisfaction of the condition precedent of the Subscription Agreement.

### **General Mandate**

Pursuant to the General Mandate granted to the Directors at the AGM, the total number of new Shares that the Company is authorised to allot and issue is 344,638,604 Shares, representing approximately 20% of the entire issued share capital of the Company as at the date of the AGM. Since the date of the AGM and up to the date of this announcement, no new Shares has been allotted and issued by the Company under the General Mandate. Accordingly, the General Mandate is sufficient for the allotment and issue of the Subscription Shares, and the issue of the Subscription Shares will not be subject to further approval by the Shareholders.

## **APPLICATION FOR LISTING**

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

## **REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS**

The Company is an investment holding company. The Group is principally engaged in the trading of beauty equipment and products and research, development and commercialisation of the oral insulin products.

Subject to completion of the Subscription, the gross proceeds and net proceeds (after deducting all the relevant costs and expenses) from the issue of the Subscription Shares will be approximately HK\$24,217,600 and approximately HK\$23,917,600, respectively. The Company intends to use such net proceeds for the general working capital of the Group.

The Directors consider that the raising of funds by the issue of the Subscription Shares is justifiable taking into account the recent market conditions which represent an opportunity for the Group to strengthen its capital base and financial position. The Directors consider that the issue of the Subscription Shares is an appropriate means of raising additional capital since the Subscription Price is at a discount to the market price as set out above, which was arrived at after arm's length negotiations between the Company and the Subscriber. The Directors (including the independent non-executive Directors) consider that the terms of the Subscription Agreement and the transactions contemplated thereunder, including the Subscription Price, are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below set out the shareholding structure of the Company as a result of the completion of the Subscription (assuming there being no other change in the share capital and shareholding structure of the Company from the date of this announcement up to and immediately after completion of the Placing and the Subscription, save and except for the issue and allotment of the shares pursuant to the Placing and the Subscription) (a) as at the date of this announcement; (b) immediately upon completion of the Placing (assuming all the shares pursuant to the Placing are fully placed); (c) immediately upon completion of the Subscription; and (d) immediately upon completion of the Placing (assuming all the shares pursuant to the Placing are fully placed) and the Subscription:

Shareholders	As at the date of this announcement		Immediately upon completion of the Placing (assuming all the shares pursuant to the Placing are fully placed)		Immediately upon completion of the Subscription		Immediately after completion of the Placing (assuming all the shares pursuant to the Placing are fully placed) and the Subscription	
	Number of Shares	Approx. % of shareholding	Number of Shares	Approx. %	Number of Shares	Approx. % of shareholding	Number of Shares	Approx. %
<i>Director</i>								
Mr. Tang Rong	396,200	0.02	396,200	0.02	396,200	0.02	396,200	0.02
<i>Substantial shareholders</i>								
Dr. Mao Yumin	413,209,900	22.67	413,209,900	20.37	413,209,900	21.08	413,209,900	19.08
China United Gene Investment Holdings Limited (Note 1)	7,770,810	0.43	7,770,810	0.38	7,770,810	0.39	7,770,810	0.36
JNJ Investments Limited (Note 2)	55,000,000	3.02	55,000,000	2.71	55,000,000	2.81	55,000,000	2.54
Mr. Chau Yiu Ting	326,015,000	17.89	326,015,000	16.07	326,015,000	16.64	326,015,000	15.05
The places pursuant to the Placing	—	—	206,400,000	10.17	—	—	206,400,000	9.53
The Subscriber	—	—	—	—	137,600,000	7.02	137,600,000	6.35
Public Shareholders	<u>1,019,811,014</u>	<u>55.97</u>	<u>1,019,811,014</u>	<u>50.28</u>	<u>1,019,811,014</u>	<u>52.04</u>	<u>1,019,811,014</u>	<u>47.07</u>
<b>Total</b>	<b><u>1,822,202,924</u></b>	<b><u>100</u></b>	<b><u>2,028,602,924</u></b>	<b><u>100.00</u></b>	<b><u>1,959,802,924</u></b>	<b><u>100.00</u></b>	<b><u>2,166,202,924</u></b>	<b><u>100.00</u></b>

*Notes:*

1. 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.
2. 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 Limited is wholly owned by Dr. Mao Yumin.
3. 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

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

Save and except as disclosed below, 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:

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
28 July 2023, 9 May 2024, 24 May 2024 and 21 June 2024	The issue of the convertible bonds of the Company under specific mandate completed on 21 June 2024 by Dr. Mao Yu Min as the subscriber pursuant to the subscription agreement dated 27 July 2023 (as amended and supplemented by the extension letters dated 30 October 2023, 30 November 2023, 29 December 2023, 29 February 2024 and 28 March 2024) of which the subscription price was satisfied by way of offsetting certain debt liabilities owed by the Company	N/A	N/A	N/A

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
15 August 2023, 22 December 2023, 9 May 2024, 24 May 2024 and 21 June 2024	The amendment of the terms and conditions of the convertible bonds of the Company in the principal amount of HK\$8,000,000 held by United Gene International Holdings Group Limited and in the aggregate principal amount of HK\$248,000,000 held by Dr. Mao Yu Min pursuant to the deed of amendment dated 15 August 2023 (as amended and supplemented by a supplemental deed dated 22 December 2023 and the extension letter dated 29 December 2023) completed on 21 June 2024	N/A	N/A	N/A
29 May 2025	The Company entered into the placing agreement with CNI Securities Group Limited, as placing agent in respect of the Placing, 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 206,400,000 placing Shares at the placing price of HK\$0.175 per placing share and such placing Shares shall be allotted and issued by the Company under the General Mandate	HK\$35,520,000 (assuming all 206,400,000 placing Shares are fully placed)	the general working capital of the Group	Completion of the Placing has not taken place. Further announcement will be made by the Company as and when appropriate and in compliance with the Listing Rules.

**Completion is subject to fulfillment of the conditions precedent under the Subscription Agreement as set out in this announcement. Accordingly, the Subscription may or may not proceed. Holders of securities of the Company and potential investors are reminded to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.**



## DEFINITIONS

Unless the context requires otherwise, capitalised terms used in this announcement shall have the following meaning:

“AGM”	the annual general meeting of the Company held on 29 August 2024 whereby the resolution of the Shareholders was passed granting the General Mandate to the Directors
“Board”	the board of Directors
“Business Day”	any day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Innovative Pharmaceutical Biotech Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 0399)
“Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors to allot and issue up to 344,638,604 Shares (representing approximately 20% of the share capital of the Company in issue on the date of the AGM) by the Shareholders at the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the placing, on a best effort basis, of up to 206,400,000 Shares at the placing price of HK\$0.175 per placing Shares on and subject to the terms and condition set out in the conditional placing agreement dated 29 May 2025 and the entered into between the Company and CNI Securities Group Limited as placing agent. For further details of the Placing, please refer to the announcement of the Company dated 29 May 2025
“PRC”	the People’s Republic of China, and for the sole purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan
“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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Erick Wong, a natural person and an Independent Third Party
“Subscription”	the subscription of the Subscription Shares pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 30 May 2025 and entered into between the Company and the Subscriber in relation to the subscription of the Subscription Shares
“Subscription Price”	HK\$0.176 per Subscription Share

“Subscription Share(s)”	137,600,000 Shares to be subscribed by the Subscriber pursuant to the Subscription Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board  
**Innovative Pharmaceutical Biotech Limited**  
**Yeung Yung**  
*Chairman*

Hong Kong, 30 May 2025

*As at the date of this announcement, the Board comprises, Dr. Yeung Yung (Chairman and executive Director), Mr. Gao Yuan Xing (executive Director), Mr. Tang Rong (executive Director), Ms. Qi Shujuan (executive Director), Dr. Long Fan (executive Director), Dr. Wu Ming (executive Director), Mr. Zhang Shen (executive Director), Mr. Zhang Yi (non-executive Director), Ms. Chen Weijun (independent non-executive Director), Mr. Wang Rongliang (independent non-executive Director) Mr. Chen Jinzhong (independent non-executive Director), Dr. Xia Tingkan, Tim (independent non-executive Director) and Ms. Sun Sizheng (independent non-executive Director).*