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)

VOLUNTARY ANNOUNCEMENT

MEMORANDUM OF UNDERSTANDING ON POSSIBLE FORMATION OF A JOINT VENTURE

The announcement is made by the Company on a voluntary basis for the purpose of providing updated information on the business development of the Group to the Shareholders and potential investors of the Company.

The Board is pleased to announce that on 26 August 2024 (after trading hours), the Company entered into a MOU with the Strategic Partner on possible formation of a Joint Venture.

Shareholders of the Company and potential investors should note that the MOU only sets out the understanding for the possible formation of a Joint Venture, and that the MOU is not legally binding. The formation of a Joint Venture, if materialises, may constitute a notifiable transaction for the Company under the Listing Rules. Should the Company enter into the formal agreement or decide to terminate the MOU or there be any material development on the formation of a Joint Venture, the Company will inform the Shareholders and investors by way of announcement(s) in accordance with the Listing Rules as and when appropriate.

As the formation of a Joint Venture may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

THE MOU

Principal terms

Principal terms of the MOU are as follows:

(i) the Company and the Strategic Partner agreed to integrate each other's expertise and collaborate to explore and develop the disposable digestive endoscopy market for medical examination in the PRC;

(ii) the Company agreed to provide financial resources to support the business development of the Joint Venture;

(iii) the Strategic Partner agreed to provide the related patented technical support to the business of the possible Joint Venture;

(iv) each of the Company and the Strategic Partner agreed to appoint three staff to form a joint working group to evaluate and review various investment and cooperation opportunities, and conduct research and discussion on terms of investment and cooperation; and

(v) the Company and the Strategic Partner agreed to discuss the feasibility and development of the possible Joint Venture in the PRC and strive to enter into a legally binding joint venture agreement on or before 31 October 2024.

Legal effect

The MOU is non-legally binding and was intended to record the preliminary mutual understanding between the parties to the MOU and to serve as a platform for further negotiations and was not intended to be legally binding on the relevant parties (save for the provisions relating to, among other things, non-transferability, confidentiality, costs and governing law and jurisdiction of the MOU).

INFORMATION OF THE STRATEGIC PARTNER

Headquartered in Jiuhua Economic and Technological Development Zone, Xiangtan, Hunan Province, the Strategic Partner, established in 2018, is a specialised medical technology enterprise integrating R&D, production, sales, and service of disposable electronic endoscopes and minimally invasive specialized robots. Its products are used in pulmonology, urology, otolaryngology, gastroenterology, orthopedics, veterinary, and industrial applications.

To the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, the Strategic Partner and its ultimate beneficial owner is an independent third party who is not a connected person of the Company and is independent of the Company and its connected persons.

REASONS AND BENEFITS OF THE MOU

The Company is an investment holding company and the Group is principally engaged in the pharmaceuticals and biotechnology businesses, in particular, the development of oral insulin product in the PRC.

The Board believes that business cooperation and the possible formation of a Joint Venture with the Strategic Partner is consistent with the Group's strategy to tap into advancement in medical technology, thus create opportunity to the Group to broaden its business spectrum in the medical field, and enhance income growth potential. To achieve such purposes, the Company will continue to look for fund raising opportunities and intend to allocate around half of the fund raised to finance new business development.

LISTING RULES IMPLICATIONS

The formation of a Joint Venture, if materialises, may or may not constitute a notifiable transaction for the Company under the Listing Rules. Should the Company enter into the formal agreement or decide to terminate the MOU or there be any material development on the formation of a Joint Venture, the Company will inform the Shareholders and investors by way of announcement(s) in accordance with the Listing Rules as and when appropriate.

As the formation of a Joint Venture may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

"Board"	the board of Directors
"Company"	Innovative Pharmaceutical Biotech Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange (stock code: 399)
"connected person"	has the meanings as ascribed under the Listing Rules

"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries
"Joint Venture"	the possible formation of a joint venture company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"MOU"	the memorandum of understanding dated 26 August 2024 and entered into between the Company and the Strategic Partner setting out the preliminary understanding in relation to the strategic cooperation and the possible formation of a Joint Venture
"PRC"	the People's Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Share(s)"	ordinary share(s) of HK$0.01 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of the issued Share(s)
"Strategic Partner"	湖南省華芯醫療器械有限公司 (Hunan Vathin Medical Instrument Co., Ltd.)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 27 August 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).