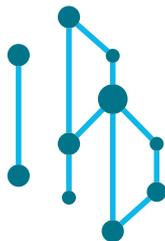


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## **INNOVATIVE PHARMACEUTICAL BIOTECH LIMITED**

**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)**

### **VOLUNTARY ANNOUNCEMENT**

#### **MEMORANDUM OF UNDERSTANDING IN RELATION TO THE POSSIBLE INVESTMENT**

This announcement is made by the Company on a voluntary basis.

The Board is pleased to announce that on 4 September 2023 (after trading hours of the Stock Exchange), the Company as an investor has entered into the MOU with the Target indicating the intention of the Company to invest in the Target in respect of the Possible Investment in respect of the majority stake in the Target during the Exclusivity Period.

The Target is a limited liability company incorporated in Delaware, the U.S. and is principally engaged in developing at-home, self-administered brain neurostimulation hybrid virtual platform and photobiomodulation PBM technology.

**The Possible Investment is subject to the entering into of the Formal Agreement by the Company and the Target. The Possible Investment therefore may or may not proceed. The Company will publish an announcement in compliance with the Listing Rules as when and appropriate. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

## **THE MOU**

The Board is pleased to announce that on 4 September 2023 (after trading hours of the Stock Exchange), the Company as an investor has entered into the MOU with the Target indicating the intention of the Company to invest in the Target in respect of the Possible Investment in respect of the majority stake in the Target during the Exclusivity Period. The principal terms of the MOU are as follows:

### **The Target**

The Company shall invest in the Target by acquiring a majority stake in the Target.

### **Consideration**

The final amount of the Consideration shall be determined by the Company and the Target by taking into account the valuation report on the Target to be conducted by an independent valuer. The amount of the Consideration once agreed by the parties will be set forth in the Formal Agreement.

The Consideration shall be settled by the Company in the form of convertible bonds to be issued by the Company upon Completion.

### **Exclusivity Period**

The MOU shall remain in effect for a term of 12 months from the date of the MOU. The Company and the Target have agreed that they shall not (a) initiate, continue or participate in any negotiation or discussions or provide any information to any person, (b) accept or enter into, or offer to accept or enter into, any agreement, arrangement, statement of intent or understanding, or (c) solicit or initiate or encourage any persons or entity other than the respective party of the MOU to make an inquiry, offer or proposal in relation to any potential acquisition of shares of the Target or any transaction that may have the impact of conferring such rights or otherwise frustrating the Possible Investment and/or the transactions contemplated by the MOU.

If the Formal Agreement is entered into between the Company and the Target, the MOU shall be terminated.

Save for the terms in relation to confidentiality, exclusivity, costs and governing laws contained in the MOU, the MOU is not legally binding or enforceable.

## **INFORMATION OF THE TARGET**

The Target is a limited liability company incorporated in Delaware, the U.S. and is principally engaged in developing at-home, self-administered brain neurostimulation hybrid virtual platform and photobiomodulation PBM technology.

## **REASONS AND BENEFITS FOR THE POSSIBLE INVESTMENT**

The Company is an investment holding company and its subsidiaries are principally engaged in the trading of beauty equipment and products in Hong Kong and research, development and commercialisation of the oral insulin product.

The Group is committed to seek business opportunities and intends to acquire high quality business with good potential for expansion and complement of the Group's business in order to diversify and strengthen the Group's income stream and enhance Shareholders' value. Given that the Target engages in at-home, self-administered brain neurostimulation hybrid virtual platform and photobiomodulation PBM technology, the Board considers that the Possible Investment and the entering into of a Formal Agreement could help to further diversify the Group's business and will expand and create synergy with the Group's existing business. The Directors consider that the MOU can secure the exclusive negotiation right of the Group in relation to the Possible Investment during the Exclusivity Period.

The Board (including the independent non-executive Directors) considers that the terms of the MOU are fair and reasonable and are entered into on normal commercial terms and in the interests of the Group and its shareholders as a whole.

## **GENERAL**

**The Possible Investment is subject to the entering into of the Formal Agreement by the Company and the Target. The Possible Investment therefore may or may not proceed. The Company will publish an announcement in compliance with the Listing Rules as when and appropriate. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

## DEFINITIONS

In this announcement, the following expressions shall have the following means, unless the context otherwise requires:

“Board”	board of the Directors
“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: 399)
“Completion”	the completion of the Possible Investment in accordance with the terms and conditions of the Formal Agreement
“Consideration”	the consideration of the Possible Investment as stipulated by the Formal Agreement
“Director(s)”	directors of the Company
“Exclusivity Period”	a term of 12 months from the date of the MOU
“Formal Agreement”	the formal agreement for the Possible Investment to be entered into between the Target and the Company or its designated subsidiary and/or other relevant parties
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	a memorandum of understanding dated 4 September 2023 entered into between the Company and the Target in relation to the Possible Investment
“Possible Investment”	the acquisition of the majority stake in the Target by the Company subject to and upon the terms and conditions of the Formal Agreement

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Niraxx. Inc., a company incorporated in Delaware, the U.S.
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“U.S.”	the United States of America
“%”	per cent.

By order of the board of  
**Innovative Pharmaceutical Biotech Limited**  
**Cheng Tak Yiu**  
*Executive Director*

Hong Kong, 4 September 2023

*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).*