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VIVA

VIVA BIOTECH HOLDINGS
维亚生物科技控股集团

(Incorporated in the Cayman Islands as an exempted company with limited liability)
(Stock code: 1873)

PROPOSED ISSUE OF US$180 MILLION GUARANTEED CONVERTIBLE BONDS DUE 2025

Sole Global Coordinator

J.P.Morgan

Joint Lead Managers and Joint Bookrunners

J.P.Morgan HSBC CICC 中金公司

This announcement is made by the Company pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

Reference is made to the announcement of the Company dated January 22, 2020 in relation to the proposed issue of USD-denominated guaranteed convertible bonds.

On January 22, 2020 (after trading hours), the Issuer, the Company and the Managers entered into the Subscription Agreement, pursuant to which and subject to certain conditions contained therein, the Issuer has agreed to issue, and the Managers have severally but not jointly agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds in a principal amount of US$180 million, guaranteed by the Company.

The Bonds are, in the circumstances set out in the Terms and Conditions, convertible into Conversion Shares. The initial Conversion Price is HK$5.7456 per Conversion Share, which represents (i) a premium of 26.0% over the last closing price of HK$4.56 per Share as quoted on the Hong Kong Stock Exchange on January 22, 2020 (being the trading day on which the Subscription Agreement was signed) and (ii) a premium of approximately 25.1% over the average closing price of HK$4.59 as quoted on the Hong Kong Stock Exchange for the five consecutive trading days up to and including January 22, 2020.

Assuming full conversion of the Bonds at the initial Conversion Price of HK$5.7456 per Share, the Bonds will be convertible into 243,493,107 Conversion Shares, representing approximately 15.6% of the total issued share capital of the Company as at the date of this announcement and approximately 13.5% of the enlarged total issued share capital of the Company resulting from the full conversion of the Bonds. The Conversion Shares will be fully-paid and rank *pari passu* in all respects with the Shares then in issue on the relevant registration date.

The gross proceeds from the Subscription of the Bonds will be US$180 million. The Company intends to use the proceeds from the Subscription in the manner detailed in the paragraph headed "Use of Proceeds".

The Conversion Shares which may fall to be allotted and issued by the Company upon the exercise of the conversion rights under the Bonds will be issued pursuant to the general mandate granted to the Board by the Shareholders at the general meeting of the Company held on April 14, 2019. The subscription of the Bonds and the issue of the Conversion Shares by the Company are not subject to further Shareholders' approval.

The Enterprise Foreign Debt Pre-Issuance Registration Certificate from the NDRC in relation to the issuance of the Bonds has been obtained.

An application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds and the Conversion Shares to be allotted and issued upon conversion of the Bonds.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances.

As the transactions envisaged under the Subscription Agreement may or may not be completed, the Bonds may or may not be issued or listed and/or the Conversion Shares may or may not be issued or listed, Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by the Company pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

Reference is made to the announcement of the Company dated January 22, 2020 in relation to the proposed issue of USD-denominated guaranteed convertible bonds.

On January 22, 2020 (after trading hours), the Issuer, the Company and the Managers entered into the Subscription Agreement, pursuant to which and subject to certain conditions contained therein, the Issuer has agreed to issue, and the Managers have severally but not jointly agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds in a principal amount of US$180 million, guaranteed by the Company.

SUBSCRIPTION AGREEMENT

Date

January 22, 2020

Parties

1. Viva Incubator Investment Management Limited as issuer;

2. The Company as guarantor; and

3. J.P. Morgan Securities plc as the sole global coordinator, joint lead manager and joint bookrunner (the "**Sole Global Coordinator**"); and

4. The Hongkong and Shanghai Banking Corporation Limited and China International Capital Corporation Hong Kong Securities Limited (together with the Sole Global Coordinator, the "**Managers**", and each a "**Manager**").

Subscription

Subject to the satisfaction of the conditions set out below in the section headed "Conditions precedent", the Managers have severally and not jointly agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds in a principal amount of US$180 million. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Managers is a third party independent of the Company and is not a connected person of the Company.

Conditions precedent

The obligations of the Managers to subscribe and pay for the Bonds are conditional on certain customary conditions precedent.

The Managers may, at their discretion and upon such terms as they think fit, waive compliance with the conditions precedent set out in the Subscription Agreement.

As at the date of this announcement, certain of the above conditions precedent to the completion of the Subscription Agreement are yet to be satisfied and/or waived (as the case may be). It is the intention of the Company to satisfy or procure the satisfaction of the conditions precedent of the Subscription Agreement before the Issue Date.

Termination

Notwithstanding anything contained in the Subscription Agreement, the Managers may, by notice to the Issuer and the Guarantor given at any time prior to payment of the net subscription monies for the Bonds to the Issuer, in its sole discretion terminate the Subscription Agreement in any of the following circumstances:

1. if there shall have come to the notice of the Managers any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform any of the Issuer's or the Guarantor's undertakings or agreements in the Subscription Agreement;

2. if any of the conditions set out in the conditions precedent of the Subscription Agreement has not been satisfied or waived by the Managers on or prior to the Closing Date;

3. if in the opinion of the Managers, there shall have been, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Issuer or the Guarantor on any stock exchange or in any over-the-counter market) or currency exchange rates or foreign exchange controls such as would in their view, be likely to prejudice materially the success of the Offering and distribution of the Bonds or dealings in the Bonds in the secondary market;

4. if, in the opinion of the Managers, there shall have occurred any of the following events: (i) a suspension or a material limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange plc, the Hong Kong Stock Exchange and/or any other stock exchange on which the Guarantor's securities are traded; (ii) a suspension or a material limitation in trading in the Guarantor's securities on the Hong Kong Stock Exchange and/or any other stock exchange on which the Guarantor's securities are traded; (iii) a general moratorium on commercial banking activities in the United States, Hong Kong, the PRC, Singapore and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, Hong Kong, the PRC, Singapore or the United Kingdom; or (iv) a change or development involving a prospective change in taxation affecting the Issuer, the Guarantor, the Bonds and the Shares to be issued upon conversion of the Bonds or the transfer thereof; or

5. if, in the opinion of the Managers, there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would in their view be likely to prejudice materially the success of the Offering and distribution of the Bonds or dealings in the Bonds in the secondary market.

The Company's lock-up

Neither the Issuer, the Guarantor nor any person acting on its or their behalf will (a) issue, offer, sell, contract to sell, pledge, encumber or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Managers between the date of the Subscription Agreement and the date which is 90 days after the Closing Date (both dates inclusive); except for (i) the Bonds and the Conversion Shares, (ii) any Shares or options granted or issued pursuant to the Share Option Schemes and the Share Award Scheme, (iii) Shares issued by the Guarantor pursuant to the exercise of options granted under the pre-IPO share incentive schemes which are beneficially owned by employees other than directors and senior management of the Guarantor, (iv) Shares disposed of in accordance with any order made by a court of competent jurisdiction, and (v) Shares disposed of arising by operation of or required by law.

Controlling Shareholders' lock-up

The Controlling shareholders undertake on a joint and several basis that, for a period from the date of the Subscription Agreement until 90 days from February 11, 2020, they will not (except with the prior written approval of the Managers) (a) issue, offer, sell, contract to sell, pledge, encumber or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Relevant Shares or securities of the same class as the Relevant Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Relevant Shares or securities of the same class as the Relevant Shares or other instruments representing interests in the Relevant Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Relevant Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of the Relevant Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, except for (i) Shares disposed of in accordance with any order made by a court of competent jurisdiction; (ii) Shares disposed of arising by operation of or required by law; (iii) Shares disposed of following the death of Mao Chen Cheney; and (iv) Shares transferred to (A) the Immediate Family Members of Mao Chen Cheney, (B) any companies or entities wholly-owned by Mao Chen Cheney and/or his Immediate Family Members, and (C) a trust for tax planning purposes or to a trustee, executor, or other fiduciary for the benefit of Mao Chen Cheney and/or his Immediate Family Members for bona fide estate planning purposes, provided, that in each case, such transfer shall be effected in compliance with all applicable laws. For the purposes of this paragraph, "**Immediate Family Members**" means spouse and children.

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are summarized as follows:

Issuer:	Viva Incubator Investment Management Limited
Guarantor	The Company
Maturity Date:	February 11, 2025
Issue Price:	100% of the principal amount of the Bonds.
Bonds:	US$180 million 2.50% guaranteed convertible bonds due 2025. The Bonds will be convertible at the option of the holder thereof into fully paid ordinary Shares of the Company at the initial conversion price of HK$5.7456 per Share.
Shares:	Ordinary shares of US$0.000025 each in the share capital of the Company.

Interest:	The Bonds bear interest from and including February 11, 2020 at the rate of 2.50% per annum payable semi-annually in arrear in equal instalments of US$1,250 per calculation amount on February 11 and August 11 in each year, beginning on August 11, 2020.
Status:	The Bonds will constitute direct, unconditional, unsubordinated and (subject to certain conditions set out in the Terms and Conditions), unsecured obligations of the Issuer and shall at all times rank *pari passu* without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to certain conditions set out in the Terms and Conditions, at all times rank at least equally with all of their respective other present and future unsecured and unsubordinated obligations.
Form and denomination:	The Bonds will be issued in registered form in the denomination of US$200,000 each and integral multiples of US$100,000 in excess thereof without coupons attached.
Conversion Right and period:	Subject to certain provisions set out in the Terms and Conditions, Bondholders have the right to convert their Bonds into Shares at any time during the conversion period. Subject to and upon compliance with the Terms and Conditions, the Conversion Right attaching to any Bond may be exercised, at the option of the holder thereof, at any time on or after March 23, 2020 up to the close of business (at the place where the certificate evidencing such Bond is deposited for conversion) on the 10th day prior to the Maturity Date (both days inclusive), (but, except as provided in the Terms and Conditions, in no event thereafter), or, if such Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than 15 days (both days inclusive and in the place aforesaid) prior to the date fixed for redemption thereof or if notice requiring redemption has been given by the holder of such Bond pursuant to the terms set out in Terms and Conditions then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice.
Conversion Price:	The price at which Shares will be issued upon conversion will initially be HK$5.7456 per Share but will be subject to adjustments for, among other things, consolidation, subdivision, redesignation or reclassification, capitalization of profits or reserves, distributions, rights issues of Shares or options over Shares, rights issues of other securities, issues at less than current market price and Change of Control, mainly.

Ranking of Conversion Shares:	The Shares issued upon exercise of the Conversion Rights will be fully paid and will in all respects rank *pari passu* with the fully paid Shares in issue on the relevant registration date except for any right excluded by mandatory provisions of applicable law and except that such Shares will not rank for (or, as the case may be, the relevant holder shall not be entitled to receive) any rights, distributions or payments the record or other due date for the establishment of entitlement for which falls prior to the relevant registration date.
Redemption at maturity:	Unless previously redeemed, converted or purchased and cancelled as provided in the Terms and Conditions, the Issuer will redeem each Bond at 108.21% of its principal amount together with accrued and unpaid interest thereon on the Maturity Date.
Conversion Price Reset:	On each Reset Date, the Conversion Price shall be adjusted on such Reset Date in accordance with the following formula (but only if the Adjusted Conversion Price is less than the then prevailing Conversion Price). Adjusted Conversion Price = Average Market Price x (1 + Initial CP) where: "**Average Market Price**" means the arithmetic average of the Volume Weighted Average Prices of the Shares on each trading day for the period of 20 consecutive trading days ending on (and including) the trading day immediately prior to the relevant Reset Date. "**Initial CP**" means 26.0%. "**Reset Date**" means each of February 11, 2021 and February 11, 2022. "**Volume Weighted Average Price**" means, in respect of a Share on any trading day, the order book volume-weighted average price of a Share appearing on or derived from Bloomberg for such Share on page "1873 HK Equity" (or its successor page) or such other source as shall be determined to be appropriate by an independent investment bank on such trading day, provided that if on any such trading day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Share in respect of such trading day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding trading day on which the same can be so determined.

Such Adjusted Conversion Price shall be rounded upwards, if necessary, to the nearest Hong Kong cent, provided that:

(i) any such adjustment to the Conversion Price shall be limited such that the Adjusted Conversion Price in no event shall be less than HK$4.56 (taking into account any adjustments as described in the Terms and Conditions which may have occurred prior to the relevant Reset Date);

(ii) subject to paragraph (i) above, the adjustment events set out in the Terms and Conditions shall apply;

(iii) the Conversion Price shall not be reduced below the nominal value of the Shares unless under applicable law then in effect the Bonds could be exchanged at such reduced Conversion Price into legally issued, fully-paid and non-assessable Shares; and

(iv) any such adjustment to the Conversion Price shall only be a downward adjustment.

Redemption for taxation reasons:

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders and in writing to the Trustee and the Principal Agent at their Early Redemption Amount, together with interest accrued but unpaid to such date, if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer (or if the Guarantee was called, the Guarantor) has or will become obliged to pay additional tax amounts as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands, Hong Kong or the PRC or in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after January 22, 2020, and (ii) such obligation cannot be avoided by the Issuer (or as the case may be, the Guarantor) taking reasonable measures available to it, provided that no tax redemption notice shall be given earlier than 90 days prior to the earliest date on which the Issuer (or as the case may be, the Guarantor) would be obliged to pay such additional tax amounts were a payment in respect of the Bonds then due. Upon the expiry of the tax redemption notice, the Issuer will be bound to redeem the Bonds at their Early Redemption Amount, together with interest accrued but unpaid to the tax redemption date, provided that redemption under this clause may not occur within seven days of the end of a closed period, but otherwise may occur when the conversion right is expressed in Terms and Conditions to be exercisable.

Redemption at the option of the Issuer:	On giving not less than 30 nor more than 60 days' notice to the Bondholders and in writing and the Trustee and the Principal Agent (which notice will be irrevocable), the Issuer may at any time prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at their Early Redemption Amount, together with interest accrued but unpaid to (but excluding) the date fixed for redemption provided that prior to the date of such notice at least 90% in principal amount of the Bonds originally issued has already been converted, redeemed or purchased and cancelled.
Redemption at the option of the Bondholders:	The Issuer will, at the option of the holder of any Bond redeem all or some only of such holder's Bonds on February 11, 2023 at 104.73% of its principal amount, together with interest accrued but unpaid to (but excluding) such date.
Redemption for Delisting or Change of Control:	Following the occurrence of a Relevant Event (as defined below), the holder of each Bond will have the right at such holder's option, to require the Issuer to redeem all or some only of such holder's Bonds on the Relevant Event redemption date at their Early Redemption Amount, together with interest accrued but unpaid to (but excluding) the date fixed for redemption. A "**Relevant Event**" occurs: (i) when the Shares cease to be listed or admitted to trading or suspended for trading for a period equal to or exceeding 30 consecutive trading days on the Hong Kong Stock Exchange or, if applicable, an alternative stock exchange (a "**Delisting**"); or (ii) when there is a Change of Control.
Early Redemption Amount:	"**Early Redemption Amount**" for each US$200,000 principal amount of the Bonds means the amount determined to represent for the Bondholder on the relevant date for determination of the Early Redemption Amount a gross yield of 4.00%. per annum calculated on a semi-annual basis. The applicable Early Redemption Amount for each US$200,000 principal amount of Bonds is calculated in accordance with the formula as set out in the Terms and Conditions.

Negative Pledge:	So long as any Bond remains outstanding, neither the Issuer nor the Guarantor will, and the Issuer and the Guarantor shall procure that none of their respective subsidiaries will, create or permit to subsist any encumbrance upon the whole or any part of their respective present or future undertaking, assets or revenues (including any uncalled capital) to secure any relevant indebtedness or to secure any guarantee of or indemnity in respect of any relevant indebtedness unless, at the same time or prior thereto the Bonds are secured (a) equally and rateably therewith or (b) by such other security, guarantee, indemnity or other arrangement as either (i) the Trustee in its absolute discretion shall deem to be not materially less beneficial to the interests of the Bondholders or (ii) shall be approved by an extraordinary resolution of the Bondholders.

CONVERSION PRICE AND CONVERSION SHARES

The initial Conversion Price is HK$5.7456 per Conversion Share, which represents (i) a premium of 26.0% over the last closing price of HK$4.56 per Share as quoted on the Hong Kong Stock Exchange on January 22, 2020 (being the trading day on which the Subscription Agreement was signed) and (ii) a premium of approximately 25.1% over the average closing price of HK$4.59 as quoted on the Hong Kong Stock Exchange for the five consecutive trading days up to and including January 22, 2020.

The Conversion Price was determined with reference to the prevailing market price of the Shares and the Terms and Conditions (including the redemption options) and was negotiated on an arm's length basis between the Issuer, the Company and the Managers. The Directors consider that the Conversion Price is fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Assuming full conversion of the Bonds at the initial Conversion Price of HK$5.7456 per Share, the Bonds will be convertible into approximately 243,493,107 Shares, representing approximately 15.6% of the total issued share capital of the Company as at the date of this announcement and approximately 13.5% of the enlarged total issued share capital of the Company resulting from the full conversion of the Bonds. The Conversion Shares will be fully-paid and rank *pari passu* in all respects with the Shares then in issue on the relevant registration date.

EFFECT ON SHAREHOLDINGS

The table below sets out a summary of the shareholdings in the Company (i) as at the date of this announcement and (ii) upon the exercise in full of the Conversion Rights attached to the Bonds:

	As at the date of this announcement		Upon full conversion of the Bonds at the initial Conversion Price of HK$5.7456 per Share	
	Number of Shares	**Approximate percentage of the Company's issued share capital**	**Number of Shares**	**Approximate percentage of the Company's issued share capital**
Chen Cheney Mao	439,692,551	28.15%	439,692,551	24.36%
MZFT, LLC	21,674,984	1.39%	21,674,984	1.20%
Mao and Sons Limited	50,938,185	3.26%	50,938,185	2.82%
VVBI Limited	11,529,246	0.74%	11,529,246	0.64%
JL AND JSW HOLDING LIMITED	2,651,724	0.17%	2,651,724	0.15%
MENGL HOLDING LIMITED	1,710,050	0.11%	1,710,050	0.09%
TIANL HOLDING LIMITED	2,651,724	0.17%	2,651,724	0.15%
Zhang and Sons Limited	159,433,021	10.21%	159,433,021	8.83%
Fenghe Harvest Ltd	154,821,323	9.91%	154,821,323	8.58%
Wu and Sons Limited	94,045,721	6.02%	94,045,721	5.21%
China Finance Strategies Investment DB Limited	123,857,056	7.93%	123,857,056	6.86%
FengHe Canary Limited	6,917,548	0.44%	6,917,548	0.38%
Other Public Shareholders	491,895,265	31.50%	491,895,265	27.25%
Bondholders	–	–	243,493,107	13.49%
Total	**1,561,818,398**	**100.00%**	**1,805,311,505**	**100.00%**

USE OF PROCEEDS

The gross proceeds from the Subscription will be US$180 million. The Company intends to use the proceeds for business development and expansion and other general corporate purposes.

REASONS FOR AND BENEFITS OF THE ISSUE OF THE BONDS

The Board considers that the issue of the Bonds represents an opportunity to obtain a pool of readily available funds that can better support business expansion of the Company in the long run. The Board currently intends to use the funds as mentioned above and considers it will facilitate the overall development and expansion of the Group.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Subscription Agreement and the issue of the Bonds are made on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

GENERAL MANDATE FOR THE ISSUE OF THE BONDS AND THE CONVERSION SHARES

At the general meeting of the Company held on April 14, 2019, a special resolution was passed to grant a general mandate (the "**General Mandate**") to the Directors to issue, allot, or deal with additional Shares not exceeding 20% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of its global offering.

The Conversion Shares will be allotted and issued by the Company pursuant to the General Mandate. The issue of the Bonds and the Conversion Shares by the Company is not subject to further Shareholders' approval.

EQUITY FUND RAISING ACTIVITIES BY THE COMPANY IN THE LAST 12 MONTHS

The following are fund raising activities of the Company during the past 12 months immediately preceding the date of this announcement:

Date of announcement	Fund raising activity	Net proceeds raised (approximately) *RMB'million*	Business objective as stated in the Prospectus	Percentage of total net proceeds	Planned use of actual net proceeds *RMB'million*	Actual use of net proceeds during the period from the Listing Date to December 31, 2019 *RMB'million*
May 9 and 30, 2019	Hong Kong public offering, international offering of Shares and partial exercise of the over-allotment option	1,217.1	Expanding EFS model	30%	365.13	170.3
			Building up commercial & research manufacturing capabilities and capacities in CMO	30%	365.13	57.8
			Purchasing laboratory equipment and materials	10%	121.71	82.8
			Hiring, training and retaining biologics & chemical drug R&D personnel	10%	121.71	82.1
			Expanding CMO business	10%	121.71	20.0
			General corporate and working capital	10%	121.71	61.2

Save as disclosed above, the Company has not raised any fund by issuing equity securities during the 12 months immediately before the date of this announcement.

GENERAL INFORMATION

The Group provides structure-based drug discovery services to biotechnology and pharmaceutical customers worldwide for their preclinical stage innovative drug development. The services of the Group cover the full spectrum of customers' needs for early stage drug discovery, including target protein expression and structure research, hit screening, lead optimization and drug candidate determination.

APPROVALS RECEIVED AND APPLICATION FOR LISTING

The Enterprise Foreign Debt Pre-Issuance Registration Certificate from NDRC in relation to the issuance of the Bonds has been obtained.

An application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds and the Conversion Shares to be allotted and issued upon conversion of the Bonds.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances.

As the transactions envisaged under the Subscription Agreement may or may not be completed, the Bonds may or may not be issued or listed and/or the Conversion Shares may or may not be issued or listed, Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

"Agency Agreement"	means the paying, conversion and transfer agency agreement in respect of the Bonds to be entered into between the Issuer, the Guarantor, the Trustee, The Bank of New York Mellon, London Branch as principal paying and conversion agent, The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar and transfer agent, and the other paying, conversion and transfer agents appointed thereunder on or around the Issue Date
"Board"	means the board of Directors of the Company
"Bondholder(s)"	means holder(s) of the Bond(s) from time to time

"Bonds"	means US$180 million 2.50% guaranteed convertible bonds due 2025 convertible at the option of the holder thereof into fully paid Shares at the initial Conversion Price of HK$5.7456 per Share.
"Change of Control"	means the occurrence of one or more of the following events: (a) the Permitted Shareholders cease to hold in aggregate at least 30% of the shares of the Guarantor; (b) any person or persons, acting together, (other than the Permitted Shareholders) acquires Control of the Guarantor; (c) any person or persons, acting together, (other than the Permitted Shareholders) hold more shares of the Guarantor than the Permitted Shareholders; or (d) the Guarantor consolidates with or merges into or sells or transfers all or substantially all of the Guarantor's assets to any other person, unless the consolidation, merger, sale or transfer will not result in the other person or persons acquiring Control over the Guarantor or the successor entity
"Closing Date"	means February 11, 2020
"CMO"	means Contract Manufacturing Organization, a company that serves other companies in the pharmaceutical industry on a contact basis to provide comprehensive drug manufacturing services
"Company"	means Viva Biotech Holdings (维亚生物科技控股集团), an exempted company with limited liability incorporated in the Cayman Islands on August 27, 2008
"connected person"	means has the meaning ascribed to it under the Listing Rules
"Contracts"	means the Subscription Agreement, the Trust Deed and the Agency Agreement

"Control"	means (a) the acquisition or control of more than 50% of the Voting Rights of the issued share capital of the Guarantor, or (b) the right to appoint and/or remove all or the majority of the members of the Guarantor's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Rights, contract or otherwise
"Controlling Shareholders"	means Mao Chen Cheney and Concord Trust Company, LLC, a group of controlling shareholders of the Company
"Conversion Price"	means the price per Conversion Share (subject to adjustments) at which the Bonds may be converted into the Shares
"Conversion Right"	means the right of a Bondholder to convert any Bond into Shares
"Conversion Share(s)"	means the Share(s) to be issued upon conversion of the Bonds pursuant to the Trust Deed and the Terms and Conditions
"CRO"	means Contract Research Organization
"Director(s)"	means the director(s) of the Company
"Group"	means the Company and its subsidiaries
"Guarantee"	means guarantee of the due payment of all sums expressed to be payable by the Issuer under the Trust Deed and the Bonds by the Guarantor
"Guarantor"	means the Company
"HK$"	means Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	means the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	means The Stock Exchange of Hong Kong Limited
"Issue Date"	means February 11, 2020
"Issuer"	means Viva Incubator Investment Management Limited, a wholly-owned subsidiary of the Company

"Joint Bookrunners"	means J.P. Morgan Securities plc as the sole global coordinator, joint lead manager and joint bookrunner, The Hongkong and Shanghai Banking Corporation Limited and China International Capital Corporation Hong Kong Securities Limited
"Joint Lead Managers" or "Managers"	means J.P. Morgan Securities plc as the sole global coordinator, joint lead manager and joint bookrunner, The Hongkong and Shanghai Banking Corporation Limited and China International Capital Corporation Hong Kong Securities Limited
"Listing Rules"	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Maturity Date"	means February 11, 2025
"NDRC"	means the National Development and Reform Commission of the PRC
"Offering"	means the Bonds being offered and sold in an offering outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act of 1933
"Offering Circular"	means the offering circular to be prepared by the Company in connection with the issue of the Bonds and the listing of the Bonds on the Hong Kong Stock Exchange
"Permitted Shareholders"	means the aggregate shareholding of Mr. Mao Chen Cheney, Mao Jun and: (a) any heir, estate, lineal descendent (or spouse thereof), spouse or parent of Mr. Mao Chen Cheney and Mao Jun; or (b) any trust, corporation, partnership or other entity, of which the direct or indirect beneficiaries, equity holders, partners or owners are Mr. Mao Chen Cheney, Mao Jun and/or such other Persons referred to in paragraph (a) above
"PRC"	means the People's Republic of China, excluding for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan

"Prevailing Rate"	means, in respect of any currency on any day, the spot rate of exchange between the relevant currencies prevailing as at or about 12:00 noon (Hong Kong time) on that date as appearing on or derived from the Relevant Page or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12:00 noon (Hong Kong time) on the immediately preceding day on which such rate can be so determined
"Principal Agent"	means The Bank of New York Mellon, London Branch
"Publication Date"	means the publication date of the Offering Circular, which is dated no later than three business days prior to the Issue Date or such other date as may be agreed between the Issuer, the Company and the Managers
"Relevant Page"	means the relevant Bloomberg BFIX page (or its successor page) or, if there is no such page, on the relevant Reuters page or such other information service provider that displays the relevant information
"Relevant Shares"	means an aggregate of 461,367,535 Shares, representing approximately 29.54% of the issued share capital of the Company, controlled by the Controlling shareholders, as at the date of the lock-up undertaking set out in the Terms and Conditions
"RMB"	means renminbi, the lawful currency of the PRC
"Share Award Scheme"	means the share award scheme adopted by the Guarantor, the terms of which were described in the 2019 Interim Report
"Share Option Schemes"	means the share option schemes adopted by the Guarantor, the terms of which were described in the 2019 Interim Report
"Shareholder(s)"	means the holder(s) of the Shares
"Share(s)"	means the ordinary share(s) of US$0.000025 each in the share of the Company
"Sole Global Coordinator"	means J.P. Morgan Securities plc
"Subscription"	means the issue and subscription of the Bonds pursuant to the Subscription Agreement

"Subscription Agreement"	means the subscription agreement dated January 22, 2020 entered into between the Issuer, the Company and the Managers in connection with the issue and subscription of the Bonds
"Terms and Conditions"	means the terms and conditions of the Bonds
"Trust Deed"	means the trust deed constituting the Bonds to be entered into between the Issuer, the Guarantor and the Trustee on or around the Issue Date
"Trustee"	means The Bank of New York Mellon, London Branch
"U.S. Securities Act"	means the United States Securities Act of 1933 (as amended)
"United States"	means the United States of America
"US$" or "USD"	means US dollar(s), the lawful currency of the United States
"%"	means percentage

By Order of the Board
Viva Biotech Holdings
Mr. Mao Chen Cheney
Chairman

Hong Kong, January 23, 2020

As at the date of this announcement, the Board of the Company comprises Mr. MAO Chen Cheney, Mr. WU Ying, Mr. HUA Fengmao and Mr. REN Delin as executive Directors, Ms. MAO Jun and Mr. John WU Jiong as non-executive Directors and Mr. FU Lei, Ms. LI Xiangrong and Mr. WANG Haiguang as independent non-executive Directors.