

The content of this announcement has been published using equity stock code (stock code: 1873) on March 16, 2021 and is now published using debt stock code (stock code: 40514 and 40144) for the debt holders information.

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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)

PROFIT WARNING

This announcement is made by Viva Biotech Holdings (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (“**Shareholders**”) and potential investors that, based on the preliminary assessment of the latest unaudited management accounts of the Group and information currently available, for the year ended December 31, 2020 (the “**Year**”) the Group is expected to record a significant amount of net loss during the Year as compared to the net profit reported for the year ended December 31, 2019. Based on the information currently available, the Board considers that the significant net loss is mainly attributable to an extraordinary loss of approximately RMB600 million in relation to the Convertible Bonds (as defined below) issued in compliance with the International Financial Reporting Standards (“**IFRS**”).

On February 11, 2020, Viva Incubator Investment Management Limited, a wholly-owned subsidiary of the Company, issued US\$180 million 2.50% convertible bonds, guaranteed by the Company (the “**Convertible Bonds**”). Under IFRS, embedded derivative components of the Convertible Bonds are recognized as financial liabilities at fair value through profit or loss (“**FVTPL**”) and their fair values are measured at each reporting date with reference to the market value. As the price of the Company’s shares rose significantly between February 11, 2020 and December 31, 2020, the fair value assessed by reference to the market value of the Company’s share had increased significantly and the Group is expected to recognize an increase in financial liabilities at FVTPL during the Year. The approximately RMB600 million loss mainly includes such fair value loss on the financial liabilities at FVTPL in relation to the embedded derivative components of the Convertible Bonds and interest expenses of the debt components of the Convertible Bonds. However, the Group expects that as compared with the corresponding period from last year, revenue will increase by over 100% for the Year.

The Board is of the view that the fair value loss in relation to the embedded derivative components of the Convertible Bonds will not adversely affect the Group's operating and financial position. Shareholders and potential investors are reminded that the fair value of the embedded derivative components of the Convertible Bonds will be changed from time to time, subject to, among other things, the share price movement of the Company and therefore are fluctuating in nature.

The Company is in the process of preparing the audited consolidated financial results of the Group for the Year. The information contained in this announcement is based on a preliminary assessment of the latest unaudited consolidated management accounts currently available to the Company, which is subject to finalization and other potential adjustments (if any) and has not been audited or reviewed by the Company's auditors or the audit committee of the Company. Details of the Group's performance will be disclosed in the annual results announcement of the Company for the Year, which is expected to be published by the end of March 2021.

Shareholders and potential investors are advised to exercise caution when dealing in shares of the Company.

By order of the Board
Viva Biotech Holdings
Mao Chen Cheney
Chairman and Chief Executive Officer

Hong Kong, March 16, 2021

As at the date of this announcement, the Board comprises four Executive Directors, namely, Mr. Mao Chen Cheney (Chairman), Mr. Wu Ying, Mr. Hua Fengmao and Mr. Ren Delin; a Non-executive Director, namely, Ms. Sun Yanyan; and three Independent Non-executive Directors, namely, Mr. Fu Lei, Ms. Li Xiangrong and Mr. Wang Haiguang.