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(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 (the “**Board**”) of directors of the Company (the “**Director(s)**”) 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, 2022 (the “**Year**”), revenue of the Group is expected to increase by over 13% as compared with the year ended December 31, 2021, of which revenue from the CRO business is expected to increase by over 20%, and revenue from the CDMO business is expected to increase by over 8%; the gross profit of the Group is expected to increase by over 25%, as compared with the year ended December 31, 2021, of which gross profit from the CRO business is expected to increase over 16%, and gross profit from the CDMO business is expected to increase by over 35%. However, the Group is expected to record a net loss of not more than RMB510 million for the Year as compared to the net profit of RMB300.6 million reported for the year ended December 31, 2021. Based on the information currently available, the Board considers that the net loss is mainly attributable to (i) market fluctuation resulting in negative fair value changes which has a net loss between RMB350 million and RMB370 million in the Group’s equity interest in incubation portfolio companies; (ii) fluctuation of foreign exchange rates during the Year resulting in foreign exchange losses which is more than RMB138 million for the Group; (iii) interest expenses of the debt components of convertible bonds issued by the Group which is more than RMB140 million and the loss on repurchase of convertible bonds which is more than RMB45 million; (iv) the resurgence of COVID-19 in mainland China limiting the labour utilization rate during the Year; and (v) certain new investment projects are still in their early loss-making stages.

In addition, it is expected that the adjusted net loss of the Group for the Year, being a non-International Financial Reporting Standards (“**IFRS**”) measure, will be, not more than RMB140 million, representing a downturn from the adjusted net profit of the Group for the year ended December 31, 2021.

The adjusted net loss/profit of the Group is presented to supplement the Group's consolidated financial statements which are presented in accordance with IFRS, and has adjusted the impact of (i) fair value gain on embedded derivative instruments of convertible bonds issued by the Group; (ii) interest expenses of the debt components of convertible bonds issued by the Group; (iii) loss on repurchase of convertible bonds issued by the Group; (iv) loss on disposal of non-recurring fixed assets; (v) amortization of acquired assets from acquisition; (vi) foreign exchange loss/gain and (vii) fair value loss on contingent consideration.

The Company is in the process of preparing the audited consolidated financial results for the Year. The information contained in this announcement is based on a preliminary assessment of the 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 2023.

The Company believes that the adjusted non-IFRS financial measures are useful for understanding and assessing underlying business performance and operating trends, and that the Company's management and investors may benefit from referring to these adjusted financial measures in assessing the Group's financial performance by eliminating the impact of certain unusual, non-recurring, non-cash and/or non-operating items that the Group does not consider indicative of the performance of the Group's business. However, the presentation of these non-IFRS financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with the IFRS. You should not view the adjusted results on a stand-alone basis or as a substitute for results under the IFRS. 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, 2023

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