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*(Incorporated in the Cayman Islands as an exempted company with limited liability)*

**(Stock code: 1873)**

## **EXERCISE OF THE VENDORS' QUALIFIED RIGHT OF SALES BY THE VENDORS RELATING TO INTEREST IN LANGHUA PHARMACEUTICAL**

This announcement is made pursuant to Rule 14.74(2) of the Listing Rules. On September 13, 2023, the Vendors exercised the Vendors' Qualified Right of Sale whereby the Group is required to purchase from the Vendors their 20% shareholding interest in Langhua Pharmaceutical. Upon completion of the transaction thereunder, Langhua Pharmaceutical will become a wholly owned subsidiary of the Group.

### **BACKGROUND**

This announcement is made pursuant to Rule 14.74(2) of the Listing Rules and reference is made to the circular of Viva Biotech Holdings (the “**Company**”) dated October 16, 2020 (the “**Circular**”), as well as the announcement of the Company dated August 9, 2020, November 9, 2020 and November 13, 2020 in relation to, amongst others, the acquisition of 80% of the equity interest in Langhua Pharmaceutical and the grant of the Vendors' Qualified Right of Sale to the Vendors. Unless otherwise stated, terms used in this announcement shall have the same meanings as defined in the Circular.

Pursuant to the Vendors' Qualified Right of Sale, in the event that the business of Langhua Pharmaceutical is not listed on the A share stock market of the PRC within 5 years of the date of the Share Purchase Agreement, the Vendors may elect to sell their entire remaining equity interest in Langhua Pharmaceutical to Viva Biotech Shanghai (or its nominee) at a consideration of RMB640 million. The Vendors may also exercise the Vendors' Qualified Right of Sale in the event that (i) the parties determine another entity rather than Langhua Pharmaceutical as the listing entity for the proposed A share listing but cannot agree on the reorganization (such as the conversion price and the shareholding structure of the listing entity), or (ii) the parties cannot agree on a listing venue rather than a PRC stock exchange, regardless of whether 5 years has elapsed since the date of the Share Purchase Agreement.

## EXERCISE OF THE VENDORS' QUALIFIED RIGHT OF SALE

As disclosed in the Company's circular dated August 9, 2023 and announcement dated June 11, 2023, the Company is planning to undertake an issue and listing of Viva Biotech Shanghai's shares on a domestic stock exchange in the PRC (excluding a listing on the National Equities Exchange and Quotations System and the Beijing Stock Exchange). Given such development, the Vendors notified the Company that it proposed to exercise the Vendors' Qualified Right of Sale given that the Vendors and Viva Biotech Shanghai are not able to agree on the listing plans in relation to Langhua Pharmaceutical (including but not limited to the listing entity and structure of the listing).

The Company hereby announces that on September 13, 2023, Viva Biotech Shanghai, the Vendors and Weizongchen Pharmaceutical Services (Shanghai) Co., Ltd. (維宗晨醫藥服務(上海)有限公司, "**Weizongchen Pharmaceutical**") entered into an equity transfer agreement (the "**Equity Transfer Agreement**") to give effect to the Vendors' Qualified Right of Sale.

Pursuant to the Equity Transfer Agreement, Weizongchen Pharmaceutical (as a nominee of Viva Biotech Shanghai in relation to the Vendors' Qualified Right of Sale) is required to acquire the equity interest in Langhua Pharmaceutical from the Vendors on the following terms:

- (1) Equity interest to be acquired: 20% of the registered and paid up capital of Langhua Pharmaceutical, which is owned by Ninhua Group, Nuobai Investment, Zhining Investment, Mr. Shan Mengchun, Mr. Yang Nuo and Ms. Ban Yan as to 11.002%, 4.40%, 1.50%, 1.20%, 0.998% and 0.90%, respectively.
- (2) Consideration: RMB640 million in aggregate to be apportioned between the Vendors in proportion to their equity interest in Langhua Pharmaceutical.
- (3) Conditions: the Equity Transfer Agreement shall take effect upon the fulfilment of certain conditions, including the execution of the acquisition financing facility agreement by Weizongchen Pharmaceutical and the relevant financing institution.
- (4) Payment and completion: subject to the terms of the Equity Transfer Agreement, payment of the aggregate consideration shall be fully paid to the Vendors by September 30, 2023 and the Vendors shall execute and complete all documents necessary for the relevant administrative filings within 2 business days of the receipt of the relevant payment.
- (5) Other terms: (i) each party to the Equity Transfer Agreement will provide customary representations and warranties in relation to the proposed transfer; (ii) the irrevocable bank guarantee of RMB640 million provided by Viva Biotech Shanghai to secure the performance of the Vendors' Qualified Right of Sale shall remain effective until Weizongchen Pharmaceutical has completed payment of the RMB640 million total consideration; and (iii) parties to the Equity Transfer Agreement shall procure Langhua Pharmaceutical to distribute its accrued dividend to its current shareholders in proportion of their equity interest.

As part of the Group's internal restructuring, Viva Biotech Shanghai will also transfer its entire equity interest in Langhua Pharmaceutical to Weizongchen Pharmaceutical under the Equity Transfer Agreement. Upon completion of the transaction contemplated herein, Langhua Pharmaceutical will become a direct wholly-owned subsidiary of Weizongchen Pharmaceutical and a wholly-owned subsidiary of the Group.

## **INFORMATION ABOUT THE PARTIES**

### **The Group**

The Group provides one-stop services, consisting of CRO Business and CDMO Business, ranging from early-stage structure-based drug research and development to commercial drug delivery to global biopharmaceutical innovators. The services of CRO Business cover customers' needs for early stage drug discovery, including target protein expression and structure research, hit screening, lead optimization and drug candidate determination. The services of CDMO Business offer worldwide pharmaceutical and biotech partners comprehensive services from drug development through commercial drug manufacturing.

Viva Biotech Shanghai and Weizongchen Pharmaceutical are companies established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. Viva Biotech Shanghai is primarily engaged in contract research businesses and Weizongchen Pharmaceutical is an investment holding vehicle of the Group.

Langhua Pharmaceutical is a company established in the PRC with limited liability and an indirect non-wholly-owned subsidiary of the Company. Langhua Pharmaceutical is an integrated and comprehensive drug R&D and manufacturing company in Taizhou, Zhejiang Province. Upon completion of the Vendors' Qualified Right of Sale, Langhua Pharmaceutical will become an indirect wholly-owned subsidiary of the Company.

### **The Vendors**

The Vendors are six minority shareholders of Langhua Pharmaceutical. Ninhua Group is a conglomerate operating across the pharmaceutical, agrochemicals, refrigeration and other related businesses. Nuobai Investments is an investment management platform and its general partners is controlled by Mr. Shan Mengchun and Ms. Ban Yan. Zhining Investment is an investment management vehicle and its general partner is controlled by Mr. Shan Mengchun.

Mr. Shan Mengchun is the chairman of Ninhua Group. Ms. Ban Yan joined the Group upon the Group's acquisition of Langhua Pharmaceutical. Ms. Ban Yan is currently a chairperson and director of Langhua Pharmaceutical, she was a third party independent of the Company at the time when the Vendors' Qualified Right of Sale was granted by Viva Biotech Shanghai.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, saved as disclosed herein, each of the Vendors and their respectively ultimate beneficial owners mentioned above is a third party independent of the Company and connected persons of the Company.

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

Hong Kong, September 13, 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*