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维亚生物科技控股集团
VIVA BIOTECH HOLDINGS

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

(Stock code: 1873)

CHANGE IN USE OF PARTS OF PROCEEDS

Reference is made to the prospectus (the “**Prospectus**”) of Viva Biotech Holdings (the “**Company**”, together with its subsidiaries, the “**Group**”) dated April 25, 2019 in relation to the global offering (the “**Global Offering**”), the announcement of the Company dated May 30, 2019 regarding the partial exercise of the Over-allotment Option (the “**Announcement**”) and the 2023 interim report published by the Company on September 26, 2023. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Prospectus.

INITIAL PLANNED USE OF PROCEEDS FROM THE GLOBAL OFFERING

As disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus and the Announcement, the Company intended to use the proceeds from the Global Offering (the “**Net Proceeds**”) for the following purposes:

- approximately 30.0% will be used for expanding our EFS model to add more promising biotechnology startups in China and overseas to our incubations portfolio (“**Expanding EFS model**”);
- approximately 30.0% will be used for building up our commercial and research manufacturing capabilities and capacities both in biologics CMO and chemistry CMO areas, which potentially includes acquiring land parcels, constructing relevant facilities, completing renovation and expanding our office space (“**Building up commercial and research manufacturing capabilities and capacities in CMO**”);
- approximately 10.0% will be used for purchasing laboratory equipment and materials in accordance with our expansion plans (“**Purchasing laboratory equipment and materials**”);
- approximately 10.0% will be used for hiring, training and retaining biologics and chemical drug research and development personnel (“**Hiring, training and retaining biologics & chemical drug R&D personnel**”);

- approximately 10.0% will be used for expanding our CMO business by acquisition or alliance, which potentially includes acquiring new technologies, businesses or services (“**Expanding CMO business**”); and
- approximately 10.0% will be used for our general corporate and working capital purposes (“**General corporate and working capital**”).

CHANGE IN USE OF PROCEEDS

The Company’s Shares have been listed on the Stock Exchange since May 9, 2019 and the Over-allotment Option was partially exercised on May 30, 2019. The Company issued a total of 352,281,000 new Shares in connection with the Global Offering and the partial exercise of the Over-allotment Option at an issue price of HK\$4.41 per Share. The total Net Proceeds raised by the Company in connection with the issuance of new Shares pursuant to the Global Offering and the partial exercise of the Over-allotment Option amounted to approximately HK\$1,231.7 million (approximately RMB1,217.1 million), after deducting the underwriting fees and the relevant transaction fees.

The Board has resolved to change the use of the above Net Proceeds in the following manner:

	Original use of proceeds as stated in the Prospectus <i>RMB’ million</i>	Revised use of proceeds <i>RMB’ million</i>	Actual use of proceeds as of June 30, 2023 <i>RMB’ million</i>	Net proceeds unutilized as at the date of June 30, 2023 <i>RMB’ million</i>	Expected timeline for utilizing the remaining balance of net proceeds
Expanding EFS model	365.13	310.55	310.55	–	–
Building up commercial and research manufacturing capabilities and capacities in CMO	365.13	365.13	358.42	6.71	Expected to be fully utilized by December 31, 2023
Purchasing laboratory equipment and materials	121.71	146.71	121.71	25.0	Expected to be fully utilized by December 31, 2023
Hiring, training and retaining biologics & chemical drug R&D personnel	121.71	151.29	121.71	29.58	Expected to be fully utilized by December 31, 2023
Expanding CMO business	121.71	121.71	121.71	–	–
General corporate and working capital	121.71	121.71	121.71	–	–

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF NET PROCEEDS

Having taken prudent assessment on the investment environment and sentiment in the biopharmaceutical industry as evident by the Group's slowdown in the pace of expanding our EFS model, the Board had decided to reallocate the unutilized Net Proceeds in order to make more efficient use of the Group's resources.

The Group intends to apply the Net Proceeds to the other uses as elaborated above in order to expand and further develop the Group's capabilities by investing in laboratory equipment, materials, biologics and chemical drug R&D personnel which will be conducive to further development and growth of the Group.

Based on the above, the Board is of the view that this change in the use of proceeds from the Global Offering is a prudent decision based on the actual situation of the Company, which is more in line with the actual operating conditions and business needs of the Company and is in line with the Group's strategies.

The Board believes that the change in the use of Net Proceeds is in line with the Company's long-term strategy and development plan, and will help improve the efficiency of the use of Net Proceeds and reduce financial costs, thereby facilitating the business development of the Company. The Board is of the view that the above changes and adjustments will not have a material adverse impact on the Company's existing business and production and operation, will not harm the interests of the Company's shareholders, especially the interests of minority shareholders, and is in the best interests of the Company and its shareholders as a whole. The Board also confirms that there has been no material change in the nature of the Group's business as set out in the Prospectus.

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

Hong Kong, September 26, 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.