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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)**

## **DISCLOSEABLE TRANSACTION SUCCESSFUL BIDDING OF LAND USE RIGHT FOR A PROPERTY IN SHANGHAI**

The Company announces that on July 1, 2020, Viva Biotech Shanghai has successfully entered into a bid for the land use right of the Property by way of internet auction through taobao.com (淘寶網) published by the Shanghai Pudong District People's Court (上海市浦東新區人民法院) at a Bidding Price of RMB392.37 million and obtained the internet auction confirmation on the same day. The Company expects that the acquisition of the Property will provide operating space to meet the Group's business growth and development in the coming years. The Company believes that as land become increasingly scarce in Shanghai, the cost of renting facilities in key areas of Shanghai will continue to increase and acquisition of the Property will reduce the Group's future rental cost, create synergy within the Group's businesses and enhance its corporate image. Set out below is a summary of the information in relation to the Auction.

### **Date**

July 1, 2020

### **Parties**

- (1) Shanghai Haikang Biopharmaceutical Limited (上海海抗生物藥業有限公司), as the Vendor
- (2) Viva Biotech Shanghai, as the purchaser

### **Bidding Price and the Property**

The Bidding Price for the land use right of the Property is RMB392.37 million. The bidding price was determined with reference to the valuation of RMB409.09 million as published by the Shanghai Pudong District People's Court in its Auction announcement. The starting price of the Auction was RMB286.37 million.

The Bidding Price shall be settled by (i) set-off of RMB30 million that has already been paid as surety to the Auction process and (ii) the remainder RMB362.27 million will have to be paid before 4:00 p.m. on July 31, 2020 to an account designated by the Shanghai Pudong District People's Court. The Company intends to fund (i) RMB87.37 million of the Bidding Price with proceeds from the global offering of our Shares allocated for building up commercial and research manufacturing capabilities and capacities in contract manufacturing organization; (ii) RMB200 million with proceeds from the convertible bond issuance completed on February 11, 2020 designated for working capital and general corporate purposes; and (iii) the remainder of the Bidding Price with the Company's internal resources.

Pursuant to the Auction notice, upon payment of the Bidding Price, Viva Biotech Shanghai may obtain the documentation to be issued by the Shanghai Pudong District People's Court and procure transfer of the Property from the Vendor.

The Property (with property ownership certificate number Pu2013225506 (浦2013225506)) is located in 735 Ziping Road, Zhoupu, Pudong New District, Shanghai (上海市浦東新區周浦鎮紫萍路735號). The Property consists of 3 blocks of properties with a gross floor area of approximately 40,018 square meters. The Property's term of use will expire on May 23, 2063 and is designated for industrial use.

## **REASONS FOR AND BENEFIT OF PARTICIPATING IN THE AUCTION**

The Group is an integrated drug development platform and Viva Biotech Shanghai is the principal operating subsidiary of the Company in the PRC. The Company considers that the acquisition of the Property at the Bidding Price reflected an attractive opportunity for the Group to acquire additional operation space to satisfy its business growth and development. The Group noted that the Property was previously occupied by a biopharmaceutical company and the infrastructure and layout of the Property is more compatible with the Group's operation. It is expected that as a result of such, the Group will have to commit less resources in fitting out and repurposing the Property. The Group expects that moving into the Property will reduce the Group's future rental cost and create synergy within the Group's businesses by reducing the number of leases on smaller facilities across Shanghai and consolidating the workforce within a single facility. The Group intends to undertake certain refurbishments and renovate in the Property to adapt it to the Group's operation needs, as of the date of this announcement, save for the Bidding Price, the Group has not made any capital commitment in relation to the acquisition of the Property.

The Board is of the view that participation in the Auction was on normal commercial terms and in the ordinary and usual course of business of the Group, and that the terms of the Auction, including the Bidding Price with reference to the valuation as conducted by the Shanghai Pudong District People's Court and the Company's review of recent comparable property transactions in the Pudong New District, Shanghai are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ABOUT THE GROUP AND THE PARTIES INVOLVED**

### **The Group and Viva Biotech Shanghai**

The Company is incorporated in the Cayman Islands with limited liability and its Shares are listed on the Main Board of the Stock Exchange. The Group is an integrated drug discovery platform in the PRC. Viva Biotech Shanghai is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, it is the principal operating subsidiary of the Company in the PRC.

## **The Vendor**

The Vendor is a company established under the laws of the PRC and its principal business was biopharmaceutical research and development and was the sole legal and beneficial owners of the Property prior to the Auction. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the date of this announcement, the Vendor is beneficially owned as to 90% by Zhoushan Hengjia Investment Management Partnership Enterprise (Limited Partnership) (舟山恆嘉投資管理合夥企業(有限合夥)), the general partner of which is beneficially owned by Luo Yanli (羅艷麗) and Wang Lubin (王魯斌), each of whom, along with the Vendor, are third parties independent of the Company and the connected persons of the Company.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratio(s) in relation to the Auction is more than 5% but less than 25%, the Auction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Auction”	the auctioning of the Property by the Shanghai Pudong District People's Court
“Bidding Price”	RMB392.37 million, being the price of Viva Biotech Shanghai's bid for the Property
“Board”	the board of Directors
“Company”	Viva Biotech Holdings, a company incorporated in the Cayman Islands as an exempted company with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1873)
“Directors”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People's Republic of China, which for the sole purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan

“Property”	a property located on 735 Ziping Road, Zhoupu, Pudong New District, Shanghai with the property ownership certificate numbered Pu2013225506
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the shares of the Company
“Shareholder(s)”	the holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Shanghai Haikang Biopharmaceutical Limited (上海海抗生物藥業有限公司), a company established under the laws of the PRC
“Viva Biotech Shanghai”	Viva Biotech (Shanghai) Ltd. (維亞生物科技(上海)有限公司), a limited liability company established in the PRC on August 14, 2008, and an indirect wholly-owned subsidiary of the Company
“%”	per cent.

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

Hong Kong, July 1, 2020

*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; two Non-executive Directors, namely, Ms. Mao Jun and Ms. Sun Yanyan; and three Independent Non-executive Directors, namely, Mr. Fu Lei, Ms. Li Xiangrong and Mr. Wang Haiguang.*