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## 东曜药业

### TOT BIOPHARM International Company Limited

東曜藥業股份有限公司

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 1875)**

### CONNECTED TRANSACTIONS INVOLVING SUBSCRIPTION BY TWO INVESTORS FOR NEW SHARES TO BE ISSUED UNDER SPECIFIC MANDATE

**Financial Adviser to the Company**

**ICBC  工银国际**

**Independent Financial Adviser to the Independent Board Committee and the  
Independent Shareholders**

 **中毅資本有限公司**  
Grand Moore Capital Limited

On 31 May 2022 (after trading hours), the Company entered into (i) the Centerlab Subscription Agreement with Centerlab, pursuant to which Centerlab has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 33,750,000 Subscription Shares; and (ii) the Vivo Subscription Agreement with Vivo Suzhou Fund, pursuant to which Vivo Suzhou Fund has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 116,250,000 Subscription Shares, in both cases at the Subscription Price of HK\$3.15 per Subscription Share.

The aggregate of 150,000,000 Subscription Shares represent (i) approximately 24.38% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 19.60% of the issued share capital of the Company as enlarged by the allotment and issue of all of the Subscription Shares, assuming that no new Shares other than the Subscription Shares will be allotted and issued by the Company in the interim.

The gross proceeds from the Subscriptions will be approximately HK\$472.50 million, and the net proceeds from the Subscriptions after the deduction of the relevant fees and expenses is estimated to be approximately HK\$470.92 million.

Given the size of the Subscriptions and the status of Centerlab and Vivo Suzhou Fund as connected persons of the Company, the Subscription Shares will be allotted and issued under a specific mandate to be sought from the Independent Shareholders, and the Centerlab Subscription and the Vivo Subscription constitute connected transactions of the Company that are subject to the announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

A circular containing, among other things, (i) further details of the Subscriptions and the allotment and issue of the Subscription Shares; (ii) a letter of opinion from the independent Board committee; (iii) a letter of advice from the independent financial adviser; and (iv) the notice of the Extraordinary General Meeting, is expected to be dispatched to the Shareholders on or before 22 June 2022.

**Completion of the Centerlab Subscription and completion of the Vivo Subscription are inter-conditional upon each other, and shall take place simultaneously.**

**As the completion of the Subscriptions is subject to the satisfaction (or if applicable, waiver) of certain conditions precedent, the Subscriptions may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## INTRODUCTION

The Board is pleased to announce that, on 31 May 2022 (after trading hours), the Company entered into (i) the Centerlab Subscription Agreement with Centerlab, pursuant to which Centerlab has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 33,750,000 Subscription Shares; and (ii) the Vivo Subscription Agreement with Vivo Suzhou Fund, pursuant to which Vivo Suzhou Fund has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 116,250,000 Subscription Shares, in both cases at the Subscription Price of HK\$3.15 per Subscription Share.

## THE SUBSCRIPTION AGREEMENTS

### Date

31 May 2022

## **Parties**

The Centerlab Subscription Agreement: (1) The Company as the issuer

(2) Centerlab as the subscriber

The Vivo Subscription Agreement: (1) The Company as the issuer

(2) Vivo Suzhou Fund as the subscriber

## **Subject Matter**

Pursuant to the Centerlab Subscription Agreement, Centerlab has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 33,750,000 Subscription Shares.

Pursuant to the Vivo Subscription Agreement, Vivo Suzhou Fund has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 116,250,000 Subscription Shares.

The aggregate of 150,000,000 Subscription Shares represent (i) approximately 24.38% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 19.60% of the issued share capital of the Company as enlarged by the allotment and issue of all of the Subscription Shares, assuming that no new Shares other than the Subscription Shares will be allotted and issued by the Company in the interim.

The Subscription Shares, when allotted and issued, shall rank *pari passu* in all respects with all other existing Shares outstanding on the date of such allotment and issue. An application will be made by the Company to the Listing Committee of the Stock Exchange for the approval for the listing of, and permission to deal in, the Subscription Shares.

## **Subscription Price**

The Subscription Price is HK\$3.15 per Subscription Share, which (i) is equal to the closing price of HK\$3.15 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements (i.e. 31 May 2022); and (ii) a premium of approximately 4.79% over the average closing price of HK\$3.006 per Share as quoted on the Stock Exchange in the five trading days immediately prior to the date of the Subscription Agreements (i.e. 24, 25, 26, 27 and 30 May 2022).

The Subscription Price was determined after arm's length negotiations between the Company and each of Centerlab and Vivo Suzhou Fund primarily with reference to the prevailing market prices of the Shares.

## Conditions Precedent

Under each Subscription Agreement, the subscription by the relevant Subscriber for, and the allotment and issue by the Company of, the relevant Subscription Shares are conditional upon the satisfaction (or if applicable, waiver) of the following conditions precedent:

- (a) the Independent Shareholders having approved the relevant Subscription and the allotment and issue of the relevant Subscription Shares;
- (b) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the relevant Subscription Shares as well as any other applicable waivers and approvals and such approval, permission or waiver not having been revoked prior to the allotment and issue of the relevant Subscription Shares;
- (c) (under the Vivo Subscription Agreement only) Vivo Suzhou Fund having completed all registrations and filings with the Asset Management Association of China (中國證券投資基金業協會) for the establishment of Vivo Suzhou Fund as a Renminbi fund;
- (d) (under the Vivo Subscription Agreement only) Vivo Suzhou Fund having obtained all relevant approvals from and/or filings with the National Development and Reform Commission (國家發展和改革委員會), the Ministry of Finance (財政部) and the Ministry of Commerce (商務部) of the PRC and/or the competent local counterparts, as well as the relevant approvals and consents from the State Administration of Foreign Exchange (國家外匯管理局) of the PRC and the related foreign exchange bank, as required for Vivo Suzhou Fund's subscription for the Vivo Subscription Shares and consummation of the transactions under the Vivo Subscription Agreement as an outbound investment by a "domestic institution" (境內機構) under relevant PRC laws, regulations and rules;
- (e) (under the Vivo Subscription Agreement only) Vivo Suzhou Fund's investment committee, limited partners advisory committee and/or other similar governing body having approved the execution of the Vivo Subscription Agreement and the consummation of the transactions thereunder and such approval not having been rescinded, revoked or materially amended;
- (f) completion of the Centerlab Subscription and completion of the Vivo Subscription taking place simultaneously;
- (g) no laws, regulations, rules or the like having been enacted or promulgated by any governmental, regulatory or administrative authority which prohibit completion of the relevant Subscription and there not being any orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting completion of the relevant Subscription; and
- (h) the representations, warranties, undertakings and confirmations of the relevant Subscriber under the relevant Subscription Agreement being accurate and true in all respects and not misleading and that there being no material breach of the relevant Subscription Agreement on the part of the relevant Subscriber.

Except for condition precedent set forth in paragraph (h) above which may be waived by the Company, all of the conditions precedent set forth above may not be waived by any party to each Subscription Agreement.

**As a result of the condition precedent set forth in paragraph (f) above, completion of the Centerlab Subscription and completion of the Vivo Subscription are inter-conditional upon each other.**

### **Completion**

Under each Subscription Agreement, completion of the relevant Subscription shall take place on the fifth Hong Kong business day following the satisfaction (or if applicable, waiver) of all of the conditions precedent set forth under the sub-section headed “Conditions Precedent” above (other than that set forth in paragraph (f) thereunder which is to be satisfied at completion), or such other date as may be agreed between the Company and the relevant Subscriber.

Under each Subscription Agreement, on the date of completion of the relevant Subscription, the relevant Subscriber shall make full payment of the Subscription Price multiplied by the relevant number of Subscription Shares together with the related brokerage and levies (if applicable) by wire transfer in immediately available clear funds to a Hong Kong dollar bank account designated by the Company.

Under each Subscription Agreement, on the date of completion of the relevant Subscription, the Company shall allot and issue the relevant number of Subscription Shares to the relevant Subscriber (or, in the case of Vivo Suzhou Fund, its designated wholly-owned subsidiary).

**As a result of the condition precedent set forth in paragraph (f) under the sub-section headed “Conditions Precedent” above, completion of the Centerlab Subscription and completion of the Vivo Subscription shall take place simultaneously.**

### **Termination**

Each Subscription Agreement may be terminated in the following manner:

- (a) if the conditions precedent set forth under the sub-section headed “Conditions Precedent” above have not been satisfied (or if applicable, waived) by 31 July 2022 or such other date as may be agreed between the Company and the relevant Subscriber;
- (b) by the Company, if payment of the Subscription Price multiplied by the relevant number of Subscription Shares together with the related brokerage and levies (if applicable) is not received or settled in the time and manner stipulated in the relevant Subscription Agreement;

- (c) by the Company, if there is a material breach of the relevant Subscription Agreement on the part of the relevant Subscriber (including a material breach of the representations, warranties, undertakings and confirmations by the relevant Subscriber under the relevant Subscription Agreement) on or before completion of the relevant Subscription; or
- (d) by the Company and the relevant Subscriber, upon their mutual written consent.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS**

The Group is mainly engaged in the research, development and licensing of self-developed oncology drugs and therapies, as well as contract development and manufacturing (CDMO) and contract manufacturing (CMO) business. As our drug candidates will require clinical development, regulatory review and marketing efforts before they can contribute to revenue generation, we will need corresponding funds to meet our ongoing research and development as well as operational needs. The net proceeds raised during the Global Offering has been fully utilized by the Group in accordance with the proposed applications as set out in the Company's announcement dated 27 October 2020 titled "Change in Use of Net Proceeds from the Global Offering".

With the aim of accelerating the upgrade of strategic development and further consolidating our advantages in the antibody drug conjugates (ADCs) field, we achieved remarkable results over the past years. In 2021, the Group successfully obtained marketing approvals from the National Medical Products Administration (NMPA) for three products, namely bevacizumab injection (TAB008; Pusintin<sup>®</sup>), temozolomide capsules (TOZ309; Tazian<sup>®</sup>) and megestrol acetate oral suspension (TOM218; Megaxia<sup>®</sup>), and entered into commercialization licensing and strategic marketing partnerships with renowned pharmaceutical companies in China. At the same time, with a leading position in terms of research and development progress in China, our first self-developed anti-HER2 ADC candidate TAA013 is currently undergoing Phase III clinical study in over 70 clinical centers in China.

In addition, to further diversify our revenue base and create new growth drivers, we continue to enhance our production capacity planning and rapidly expand our CDMO and CMO business. Accordingly, we may require further funding through equity financing, debt financing, collaboration and licensing arrangements or other sources to meet our continued funding requirements for clinical development or commercialization of our current drug candidates, as well as to invest in additional capacity for the provision of CDMO and CMO services.

The Subscriptions are expected to (i) improve the Group's cash flows without creating additional interest burden; (ii) enlarge the Group's capital base to support the long-term development of the Group; (iii) optimize the capital structure of the Group; and (iv) demonstrate the continuous and dedicated support for our development from our two largest Shareholders as well as their confidence in our prospects. The Directors have considered and assessed different fund-raising alternatives. In respect of debt financing, the Directors consider it to be less desirable given the requirement of interest payments and the impact on the Group's gearing position. In respect of fund-raising by way of rights issue, it would involve a more lengthy and uncertain time frame of preparation work and negotiation of terms. In contrast, fund-raising by way of the Subscriptions enables us to quickly obtain

financial support from our two largest Shareholders (being the Subscribers) which is essential for our swift business development as further detailed in the section headed “Use of Proceeds” below.

Based on the above and the fact that the Subscription Price was determined primarily with reference to the prevailing market prices of the Shares, the Directors (other than the independent non-executive Directors who will express their view after receiving advice from the independent financial adviser) consider that the terms of the Subscription Agreements are fair and reasonable, and that the Subscriptions are in the interest of the Company and the Shareholders as a whole.

As at the date of this announcement, save for the Subscriptions, the Group does not have any agreement, arrangement, understanding, intention or negotiation (whether concluded or otherwise) on any potential equity fund-raising activities.

The Company has not conducted any equity fund-raising activity in the past 12 months immediately preceding the date of this announcement.

## **USE OF PROCEEDS**

The gross proceeds from the Subscriptions will be approximately HK\$472.50 million, and the net proceeds from the Subscriptions after the deduction of the relevant fees and expenses are estimated to be approximately HK\$470.92 million (representing a net issue price of approximately HK\$3.139 per Subscription Share).

The Company intends to apply the net proceeds from the Subscriptions as to:

- (a) approximately 35% of the net proceeds (approximately HK\$164.82 million) for capital expenditure on ongoing construction of the Global Research and Development Centre and upgrade of our ADC formulation production workshops to expand of our commercial production capacity and reduce our production costs in a cost-effective manner;
- (b) approximately 25% of the net proceeds (approximately HK\$117.73 million) for completion of Phase III clinical trial of TAA013 (anti-HER2 ADC, HER2+ advanced breast cancer), as well as ongoing and planned pre-clinical and clinical trials of TAE020 (new target ADC, acute myeloid leukemia), TAC020 (new target mAb/recombinant protein, various solid tumors) and other drug candidates in our pipeline;
- (c) approximately 20% of the net proceeds (approximately HK\$94.19 million) for expansion of our CDMO and CMO business and strengthening project-based collaboration with domestic and foreign pharmaceutical companies to create additional sources of revenue growth;
- (d) approximately 10% of the net proceeds (approximately HK\$47.09 million) for commercial production, marketing and sales activities of three products with marketing approvals obtained, namely TAB008, TOZ309 and TOM218; and
- (e) approximately 10% of the net proceeds (approximately HK\$47.09 million) for our working capital and other general corporate purposes.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets forth, to the Company's knowledge, the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Subscriptions, assuming that no outstanding option under the Pre-IPO Share Option Scheme will be exercised prior to completion; and (iii) immediately after completion of the Subscriptions, assuming that all outstanding options under the Pre-IPO Share Option Scheme will have been exercised prior to completion:

Shareholder	(i) As at the date of this announcement		(ii) Immediately after completion of the Subscriptions, assuming that no outstanding option under the Pre-IPO Share Option Scheme will be exercised prior to completion		(iii) Immediately after completion of the Subscriptions, assuming that all outstanding options under the Pre-IPO Share Option Scheme will have been exercised prior to completion	
	Number of Shares	Approx. % shareholding	Number of Shares	Approx. % shareholding	Number of Shares	Approx. % shareholding
<i>Shares not held in public hands:</i>						
Centerlab and BioEngine Technology	185,569,200	30.16%	219,319,200	28.66%	219,319,200	28.32%
Vivo VIII Funds and Vivo Suzhou Fund	103,245,000	16.78%	219,495,000	28.68%	219,495,000	28.35%
Teeroy Limited <sup>(1)</sup>	5,638,992	0.92%	5,638,992	0.74%	5,638,992	0.73%
Ms. Yeh-Huang, Chun-Ying <sup>(1)(3)</sup>	7,115,700	1.16%	7,115,700	0.93%	8,278,200	1.07%
Dr. Liu, Jun <sup>(1)(3)</sup>	–	–	–	–	1,100,000	0.14%
<i>Shares held in public hands:</i>						
Prime Success International Limited	56,573,500	9.20%	56,573,500	7.39%	56,573,500	7.31%
Advantech Capital Investment V Limited	49,136,800	7.99%	49,136,800	6.42%	49,136,800	6.35%
Tricor Trust (Hong Kong) Limited <sup>(2)</sup>	34,393,566	5.59%	34,393,566	4.50%	34,393,566	4.44%
Optionholders under the Pre-IPO Share Option Scheme (other than Directors) <sup>(3)</sup>	–	–	–	–	6,862,800	0.88%
Other shareholders	173,556,739	28.20%	173,556,739	22.68%	173,556,739	22.41%
<b>Total</b>	<b>615,229,497</b>	<b>100%</b>	<b>765,229,497</b>	<b>100%</b>	<b>774,354,797</b>	<b>100%</b>

### Notes:

- (1) Teeroy Limited holds award Shares for the benefit of grantees under the Restricted Share Award Scheme who are the Company's connected persons (currently comprising the two executive Directors, namely Ms. Yeh-Huang, Chun-Ying and Dr. Liu, Jun).
- (2) Tricor Trust (Hong Kong) Limited holds award Shares for the benefit of grantees under the Restricted Share Award Scheme who are not the Company's connected persons (i.e. non-Director employees and consultants).
- (3) As at 30 April 2022, options representing 9,125,300 Shares were outstanding under the Pre-IPO Share Option Scheme, including (i) options held by Ms. Yeh-Huang, Chun-Ying representing 1,162,500 Shares; (ii) options held by Dr. Liu, Jun representing 1,100,000 Shares; and (iii) options held by non-Director optionholders representing 6,862,800 Shares.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, (i) Centerlab and its associate BioEngine Technology in aggregate hold approximately 30.16% of the issued share capital of the Company and are controlling shareholders of the Company; and (ii) Vivo VIII Funds in aggregate hold approximately 16.78% of the issued share capital of the Company and are substantial shareholders of the Company while Vivo Suzhou Fund does not hold any Shares, and both Vivo VIII Funds and Vivo Suzhou Fund have the same ultimate fund manager (i.e. Vivo Capital LLC). Therefore, each of Centerlab and Vivo Suzhou Fund is a connected person of the Company pursuant to Rule 14A.07(1) of the Listing Rules.

### **Specific Mandate**

Given the size of the Subscriptions and the status of Centerlab and Vivo Suzhou Fund as connected persons of the Company, the general mandate granted to the Directors at the Company's 2021 annual general meeting or expected to be granted to the Directors at the Company's forthcoming 2022 annual general meeting cannot be used for the allotment and issue of the Subscription Shares.

Therefore, a specific mandate for the allotment and issue of the Centerlab Subscription Shares and the Vivo Subscription Shares will be sought by the Company from the Independent Shareholders by way of Shareholders' resolution(s) to be put forward at the Extraordinary General Meeting.

### **Connected Transactions**

Given the status of Centerlab and Vivo Suzhou Fund as connected persons of the Company, the Centerlab Subscription and the Vivo Subscription constitute connected transactions of the Company, and are subject to the announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Shareholders' resolution(s) will be put forward by the Company at the Extraordinary General Meeting for the Independent Shareholders to consider and, if thought fit, approve the Centerlab Subscription and the Vivo Subscription.

An independent Board committee comprising all three independent non-executive Directors has been formed to advise the Independent Shareholders in relation to the Centerlab Subscription and the Vivo Subscription. Grand Moore Capital Limited (中毅資本有限公司) has been appointed as the independent financial adviser to advise the independent Board committee and the Independent Shareholders in relation to the Centerlab Subscription and the Vivo Subscription.

One of the non-executive Directors, namely Mr. Fu, Shan, represents Vivo VIII Funds on the Board and is also a managing member of Vivo VIII Funds' general partner and the controlling shareholder of Vivo Suzhou Fund's ultimate managing partner. As such, he is considered to have a material interest in the Vivo Subscription and has accordingly abstained from voting on the Board resolution approving the same. Save as the aforesaid, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Directors has a material interest in the Subscriptions.

## Shareholders' Circular and Extraordinary General Meeting

A circular containing, among other things, (i) further details of the Subscriptions and the allotment and issue of the Subscription Shares; (ii) a letter of opinion from the independent Board committee; (iii) a letter of advice from the independent financial adviser; and (iv) the notice of the Extraordinary General Meeting, is expected to be dispatched to the Shareholders on or before 22 June 2022 (being 15 Hong Kong business days after the date of this announcement).

As far as the Company is aware having made all reasonable enquiry, as at the date of this announcement, (i) Centerlab and BioEngine Technology hold a total of 185,569,200 Shares, representing approximately 30.16% of the issued share capital of the Company; (ii) Vivo VIII Funds hold a total of 103,245,000 Shares, representing approximately 16.78% of the issued share capital of the Company; and (iii) Teeroy Limited and Tricor Trust (Hong Kong) Limited (as trustees under the Restricted Share Award Scheme) hold a total of 40,032,558 Shares, representing approximately 6.51% of the issued share capital of the Company. Please refer to the section headed "Effects on Shareholding Structure of the Company" above for details.

Centerlab and BioEngine Technology have a material interest in the Centerlab Subscription and the allotment and issue of the Centerlab Subscription Shares, and are hence required to abstain from voting on the Shareholders' resolution(s) relating thereto at the Extraordinary General Meeting.

Vivo VIII Funds have a material interest in the Vivo Subscription and the allotment and issue of the Vivo Subscription Shares, and are hence required to abstain from voting on the Shareholders' resolution(s) relating thereto at the Extraordinary General Meeting.

Pursuant to the rules of the Restricted Share Award Scheme, Teeroy Limited and Tricor Trust (Hong Kong) Limited shall not exercise any voting rights in respect of any award Shares held by them as trustees, and there is no mechanism whereby the grantees may exercise, or may instruct the trustees to exercise, any voting rights attached to any award Shares held by the trustees. Therefore, Teeroy Limited and Tricor Trust (Hong Kong) Limited will not exercise their voting rights in respect of Shares held by them at the Extraordinary General Meeting.

## CONFIRMATION IN RELATION TO CENTERLAB AND MR. LIN, JUNG-CHIN

As disclosed on pages 282 to 283 of the prospectus dated 29 October 2019 published by the Company, as part of the measures adopted by the Company to address any potential competition and conflict of interest between the Company on one hand and Centerlab and its chairman Mr. Lin, Jung-Chin on the other hand, the Company has undertaken to the Stock Exchange to include the following statement in this announcement.

The Company confirms that, as at the date of this announcement, (i) none of Mr. Lin, Jung-Chin or any of his associates and relatives as defined in Rules 14A.12 and 14A.21(1)(a) of the Listing Rules respectively (the "**Relevant Persons**") has discussed or voted on any matters relating to the Centerlab Subscription (the "**Relevant Matters**") at any relevant meeting of the board of directors of Centerlab; and (ii) where the Relevant Matters involved the approval or deliberation by the board of directors or the investment committee of Centerlab, none of Mr. Lin, Jung-Chin or any of the Relevant Persons was a member of the investment committee of Centerlab at the material time.

## **INFORMATION ON THE SUBSCRIBERS**

### **About Centerlab**

Centerlab was incorporated in Taiwan in 1959 and its shares were listed on the Taipei Exchange in 2003 (stock code: 4123). It is Taiwan's largest manufacturer of oral liquid pharmaceuticals, with a market share of about 70%. Its products are mainly oral solutions, including syrups, suspensions, emulsions and other dosage forms. It also engages in new drug research and development, active pharmaceutical ingredients, minimally invasive medical devices and other businesses through investments in other corporations. In recent years, Centerlab is known as the "Biotech Industrial Bank" (生技工業銀行) in Taiwan for its track record of incubating or investing in various biotech and related companies listed or to be listed on the Stock Exchange or the Taipei Exchange (including the Company) and fostering their growth and development. As of 31 December 2021, Centerlab had total assets of NT\$30.4 billion (equivalent to approximately US\$1.1 billion).

Centerlab (together with its former associate BioEngine Venture Capital Inc. and/or current associate BioEngine Technology) has been a shareholder of the Company since January 2011.

### **About Vivo Suzhou Fund and Other Funds Managed by Vivo Capital LLC**

Vivo Suzhou Fund is a limited partnership established in the PRC managed by Vivo Equity Investment Management (Shanghai) Co., Ltd. (維梧股權投資管理(上海)有限公司), a private equity fund manager (私募基金管理人) registered with the Asset Management Association of China (中國證券投資基金業協會) which is directly wholly-owned and controlled by Vivo Capital LLC.

Vivo VIII Funds, which are also funds managed by Vivo Capital LLC, have been shareholders of the Company since December 2015.

Vivo Capital LLC's predecessor was founded in the United States in 1996. Vivo Capital LLC was incorporated in the State of California of the United States in 2005, and is an investment adviser registered with the United States Securities and Exchange Commission. Spanning private equity, public equity and venture capital, it is a global healthcare investment firm that focuses on finding and building value in healthcare companies in the United States and Greater China. It invests in both public and private healthcare companies through funds managed by it or its affiliate, including Vivo Suzhou Fund and Vivo VIII Funds, among others. In terms of assets under management (AUM), as of 31 December 2021, Vivo Capital LLC managed over US\$6.4 billion in client assets on a discretionary basis.

**As the completion of the Subscriptions is subject to the satisfaction (or if applicable, waiver) of certain conditions precedent, the Subscriptions may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“BioEngine Technology”	BioEngine Technology Development Inc. (玉晟管理顧問股份有限公司), a company incorporated in Taiwan with limited liability on 27 September 2007
“Board”	the board of Directors of the Company
“Centerlab”	Center Laboratories Inc. (晟德大藥廠股份有限公司), a company incorporated in Taiwan with limited liability on 4 November 1959 whose shares are listed on the Taipei Exchange (stock code: 4123)
“Centerlab Subscription”	the subscription by Centerlab for the Centerlab Subscription Shares pursuant to the Centerlab Subscription Agreement
“Centerlab Subscription Agreement”	the subscription agreement dated 31 May 2022 entered into between the Company and Centerlab in relation to the subscription by Centerlab for the Centerlab Subscription Shares
“Centerlab Subscription Shares”	33,750,000 Subscription Shares subscribed for by Centerlab and to be allotted and issued by the Company pursuant to the Centerlab Subscription Agreement
“Company”	TOT BIOPHARM International Company Limited (東曜藥業股份有限公司) (formerly known as TOT BIOPHARM International Company Limited (東源國際醫藥股份有限公司)), a company incorporated in Hong Kong with limited liability on 4 December 2009 whose shares are listed on the Stock Exchange (stock code: 1875)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Extraordinary General Meeting”	an extraordinary general meeting of the Company to be held for the Independent Shareholders to consider and, if thought fit, approve the Subscriptions and the allotment and issue of the Subscription Shares

“Global Offering”	the initial public offering of the Company which was completed on 8 November 2019
“Group”, “we”, “us” or “our”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	those Shareholders who do not have a material interest in the Centerlab Subscription and/or the Vivo Subscription (as the case may be) and the allotment and issue of the Centerlab Subscription Shares and/or the Vivo Subscription Shares (as the case may be) and are hence not required to abstain from voting on the relevant Shareholders’ resolutions at the Extraordinary General Meeting
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“NT\$”	New Taiwan dollar(s), the lawful currency of Taiwan
“PRC” or “China”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan regions
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme adopted by the Company on 20 February 2013 and subsequently amended on 11 December 2017, 20 December 2018, 12 March 2019, 16 April 2019 and 22 July 2019
“Restricted Share Award Scheme”	the restricted share award scheme adopted by the Company on 29 May 2020 and subsequently amended on 29 July 2020 and 23 December 2021
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber(s)”	Centerlab and Vivo Suzhou Fund, or one of them as the context may require

“Subscription Agreement(s)”	the Centerlab Subscription Agreement and the Vivo Subscription Agreement, or one of them as the context may require
“Subscription Price”	HK\$3.15 per Subscription Share, being the subscription price under the Subscriptions
“Subscription Share(s)”	the Centerlab Subscription Shares and the Vivo Subscription Shares, or one of some of such Shares as the context may require
“Subscription(s)”	the Centerlab Subscription and the Vivo Subscription, or one of them as the context may require
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Taipei Exchange”	Taipei Exchange (證券櫃檯買賣中心) in Taiwan
“United States”	the United States of America
“US\$”	United States dollar(s), the lawful currency of the United States
“Vivo Capital LLC”	Vivo Capital LLC, a limited liability company incorporated in the State of California of the United States on 29 June 2005
“Vivo Subscription”	the subscription by Vivo Suzhou Fund for the Vivo Subscription Shares pursuant to the Vivo Subscription Agreement
“Vivo Subscription Agreement”	the subscription agreement dated 31 May 2022 entered into between the Company and Vivo Suzhou Fund in relation to the subscription by Vivo Suzhou Fund for the Vivo Subscription Shares
“Vivo Subscription Shares”	116,250,000 Subscription Shares subscribed for by Vivo Suzhou Fund and to be allotted and issued by the Company pursuant to the Vivo Subscription Agreement
“Vivo Suzhou Fund”	Vivo (Suzhou) Health Industry Investment Fund (Limited Partnership) (維梧(蘇州)健康產業投資基金(有限合夥)), a limited partnership organized in the PRC on 26 November 2021

“Vivo VIII Funds”

Vivo Capital Fund VIII, L.P. and Vivo Capital Surplus Fund VIII, L.P., both of which are limited partnerships organized in the State of Delaware of the United States on 17 December 2014

By order of the Board  
**TOT BIOPHARM International Company Limited**  
**Dr. Liu, Jun**  
*Chief Executive Officer and Executive Director*

Hong Kong, 31 May 2022

*As at the date of this announcement, the executive directors of the Company are Dr. Liu, Jun and Ms. Yeh-Huang, Chun-Ying; the non-executive directors of the Company are Mr. Fu, Shan and Mr. Qiu, Yu Min; and the independent non-executive directors of the Company are Ms. Hu, Lan, Mr. Chang, Hong-Jen and Dr. Wang, De Qian.*