BioSpectrum
the business of Bio & Health Sciences
ASIA EDITION

Sinovac secures $86.7M capital raise

July 4, 2018 | News

The proceeds will be used to increase the Company's capabilities in research relating to quality control and to build additional production facilities to support the development and commercialization of sIPV-based combination vaccine and other new vaccine projects.



Singapore- Sinovac Biotech, a leading provider of biopharmaceutical products in China, announced that it has completed a private placement of its common shares with private investors Vivo Capital and Advantech Capital. Sinovac will receive gross proceeds of $86.73 million. The proceeds will be used to increase the Company's capabilities in research relating to quality control and to build additional production facilities to support the development and commercialization of sIPV-based combination vaccine and other new vaccine projects. It also will help Sinovac meet the growing demand for vaccines in China driven by loosening family planning policies, an aging population and an increasing awareness of vaccines, as well as increased global vaccine market demand for combination vaccines that aim to reduce risks associated with administration.

The Company also announced the termination of the Amalgamation Agreement to take the Company private, previously entered into on June 26, 2017, with Sinovac (Cayman) Limited ("Parent") and Sinovac Amalgamation Sub Limited, a wholly owned subsidiary of Parent. The decision to terminate the going-private transaction was reached by Sinovac's Board of Directors based on the recommendation of the independent special committee of directors formed to review the proposal.

"This PIPE transaction will improve Sinovac's capability to continue its mission of researching, developing, manufacturing and commercializing vaccines that protect against human infectious diseases," said Mr. Weidong Yin, Chairman, President and CEO of Sinovac. "With vaccine demand increasing and recognizing that the going-private transaction may not complete, the Board worked with management and the Board's external financial and legal advisors to review the Company's standalone business plan. The Board concluded that this transaction is in the best interests of the Company and its shareholders. We are confident that the facilities enabled by this capital investment will create value for all shareholders and lead to solutions that address the significant unmet medical need for vaccines in China and globally."

Vivo Capital and Advantech Capital each received a total of 5.9 million Sinovac common shares for $7.35 per share, representing an aggregate of approximately 19.9% of the outstanding shares of Sinovac immediately before the share issuance, and representing 16.6% of the outstanding shares of Sinovac after the share issuance.