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Sinovac secures $500M in funds for COVID-19 vaccine development

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Sinovac Biotech Ltd, a leading provider of biopharmaceutical products in China, has announced that Sinovac Life Sciences Co Ltd (formerly known as Sinovac Research and Development Co Ltd), a subsidiary of Sinovac, has secured approximately $500 million in funding for further development, capacity expansion and manufacturing of the CoronaVac, its COVID-19 vaccine candidate, as well as conduct other development and operational activities.

The investor, Sino Biopharmaceutical Limited, a leading innovative research and development driven pharmaceutical conglomerate in China, through affiliates, has invested approximately $500 million in exchange for approximately 15% of the total equity interest of Sinovac Life Sciences.

“We have made significant progress in the development of our COVID-19 vaccine candidate CoronaVac, which has reached critical milestones in clinical trials in Asia and Latin America,” said Weidong Yin, Chairman, President and CEO, Sinovac. “In addition to funding the CoronaVac, this new strategic partnership with Sino Biopharmaceutical Limited further enables us to improve our vaccine sales capabilities, expand in Asia markets, develop and access new technologies.”

Prior to the investment announced, each of Advantech Capital and Vivo Capital exercised its right to convert its convertible loan previously announced by the Company on May 22, 2020 into 7.5% of the total equity interests of Sinovac Life Sciences, which after the investment now represents an approximately 6.3% stake in Sinovac Life Sciences.

Phase III clinical trials for CoronaVac have been approved in Brazil, Indonesia, Turkey and Chile. In China, the phase I/II trials were conducted with results showing the vaccine candidate can induce neutralising antibodies among over 90% of volunteers who received two doses of vaccination in both adults and the elderly. The results of the Company’s phase I/II clinical trial on healthy adults aged 18-59 years old were published on Lancet Infectious Diseases on November 17, 2020.

Sinovac expects to be able to manufacture 300 million doses annually and aims to complete the construction of a second production facility by the end of 2020 to increase the annual production capacity of CoronaVac to 600 million doses.

Houlihan Lokey served as financial advisor, and Han Kun Law Offices and Latham & Watkins LLP served as legal advisors to the Company in connection with the transaction.