Viva Biotech acquires major stake in Chinese CDMO

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Accelerating the Escalation of the Service Chain of Innovative Drug Industry

Viva Biotech (Shanghai) Co., Ltd. has entered into the Share Purchase Agreement pursuant to which Viva Biotech agreed to acquire and the Vendors agreed to collectively sell 80% of the equity interest in Zhejiang Langhua Pharmaceutical Co., Ltd, at the Consideration of RMB 2,560 million.

The synergy between Viva Biotech and Langhua Pharmaceutical, in areas of R&D, design and manufacturing of global pharmaceutical market is brought about by the acquisition.

It is of great strategic significance for The Company to conduct vertical integration and expansion into CDMO (Contract R&D and Production Organization) business, and establish a comprehensive one-stop drug services platform.

The acquisition will enable The Company to acquire an established CDMO platform with solid track record and reputation, and expand the diversity and geographical coverage of customer groups.

Through more comprehensive end-to-end services, CDMO business will help The Company to extend the existing and potential customer groups, effectively enhancing the income stream, enabling the future high-speed growth service demand of portfolio companies under EFS model, and expanding the portfolio of potential incubation projects.

Based on the existing core advantages, Viva Biotech will further strengthen and expand the drug research, design and manufacturing capacity by investing more high-quality talents and facilities, including but not limited to expanding its CMC capacity and integrating its operation with the existing business of The Company.

Through providing more abundant and high-quality services, The Company aims to improve the market competitiveness, so as to gain a position which allows prospective clients, including both startup biotech companies and multi-national pharmaceutical companies, to select The Company as their priority partner for comprehensive outsourcing services.