



## **Hepalink Signs Agreement to Acquire Scientific Protein Laboratories**

### ***Combined Company to be a Global Leader in Heparin Sodium API Supply, Quality and Safety Standards***

December 26, 2013 06:34 AM Eastern Standard Time

SHENZHEN, China and WAUNAKEE, Wis.--(BUSINESS WIRE)--Shenzhen Hepalink Pharmaceutical Co., Ltd. [002399.SZ] announced today that it has entered into a stock purchase agreement to acquire Scientific Protein Laboratories, LLC. (SPL), a leading global, independent manufacturer and supplier of active pharmaceutical ingredients (APIs). With the acquisition, Hepalink will expand its presence as one of the leading suppliers of heparin worldwide, while providing the combined company with greater product development and growth opportunities in new markets for its full line of APIs, including pancreatic enzyme and heparin products. This acquisition allows for greater investment in R&D, new products and processes, and will form a stronger company with enhanced cutting-edge R&D capabilities in the global heparin API sector.

“We are excited about this transaction and what it means for Scientific Protein Laboratories”

Under the terms of the agreement, Hepalink has agreed to acquire SPL for US\$337.5 million in cash plus certain contingent payments.

“This represents an exciting opportunity for both companies and all of their employees in an increasingly global industry,” said Mr. Li Li, Chairman and Chief Executive Officer of Hepalink. “After the acquisition, Hepalink will be able to further enhance the stability and safety of the supply of the heparin product raw materials, strengthen Hepalink’s globally leading advantages in technology, processing techniques, quality and safety standards, and form a global heparin API manufacturing, R&D and distribution network for Hepalink. The transaction will open new markets for API products and allow for greater investment in R&D, new products and processes. Operating at the high level of U.S. and international safety standards, the combined company will continue its absolute commitment to global best practices in product safety and quality as a trusted supplier of ingredients for critical medicines.”

“We are excited about this transaction and what it means for Scientific Protein Laboratories,” said Mr. Robert Mills, Chief Executive Officer of SPL. “This will expand our ability to develop and grow both our domestic and international businesses and to continue to conduct cutting-edge research on new products.

We do not anticipate any changes in how we currently do business. We will become part of a very successful company that shares our commitment to safety and quality.”

When the transaction is completed, SPL’s management will remain in place, as will its 204 employees in the United States. SPL’s principal facility is in Waunakee, Wisconsin.

Headquartered in Shenzhen, China, Hepalink is one of the world’s largest suppliers of processed heparin. Hepalink has a long and consistent track record of adhering to the high level of U.S. standards and passing U.S. Food and Drug Administration inspections. It is also one of the select companies which have been approved to participate in the U.S. Pharmacopeial Convention’s Pharmaceutical Ingredient Verification Program, which includes rigorous testing, verification and certification of products intended for export to the United States.

### **Transaction Details and Approvals**

Under terms of the agreement, Hepalink’s wholly-owned U.S. subsidiary, Hepalink USA, will acquire 100% of the equity interest of SPL. Upon consummation of the acquisition, Hepalink will hold 100% of the equity interest indirectly through Hepalink USA.

The closing of the transaction is subject to certain conditions, including, among others, the expiration of the waiting period under the Hart-Scott-Rodino (HSR) Antitrust Improvements Act of 1976, as amended, and a clearing by the French Competition Authority, as well as other customary closing conditions. The parties will file a notice of the transaction with the Committee on Foreign Investment in the United States (CFIUS). The parties do not believe that any aspects of this transaction will impact US national security. The transaction is currently expected to close during the first half of 2014.

### **About Hepalink**

Hepalink is one of the largest suppliers of heparin sodium API and crude heparin in the world, distributing its products to the global market and to internationally renowned pharmaceutical companies. Hepalink was established in 1998 and was listed on the Shenzhen Stock Exchange on May 6, 2010. Hepalink’s headquarters are located in the Shenzhen High-Tech Park. More information is available at [www.hepalink.com/en](http://www.hepalink.com/en).

### **About Scientific Protein Laboratories**

Scientific Protein Laboratories has been a leading global supplier of high quality active pharmaceutical ingredients (APIs) for nearly four decades. SPL specializes in cGMP biopharmaceutical manufacturing and is one of the largest commercial suppliers of Heparin Sodium USP, Pancreatin USP, and

Pancrelipase USP. SPL serves the pharmaceutical, veterinary, and food industries globally, and has a manufacturing facility located in Waunakee, Wisconsin as well as a facility in Sioux City, Iowa. More information is available at [www.spl-pharma.com](http://www.spl-pharma.com).

### **Forward-Looking Statements or Legal Disclaimers**

All statements included or incorporated by reference in this release, other than statements or characterizations of historical fact, are forward-looking statements. These forward-looking statements are based on our current expectations, estimates and projections about our industry and business, management's beliefs, and certain assumptions made by us, all of which are subject to change. Forward-looking statements can often be identified by words such as "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "may," "will," "should," "would," "could," "potential," "continue," "ongoing," similar expressions, and variations or negatives of these words. These forward-looking statements are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause our actual results to differ materially and adversely from those expressed in any forward-looking statement.

### **Contacts**

The Harbour Group

Seth Horwitz, 202-295-8788