

April 22, 2025

BY EMAIL AND FED EX

Chairman Jiaqiang Li and
The Board of Directors
Sinovac Biotech Ltd.
No.39, SHANGDI West Road
Haidian District, Beijing, 100085
People's Republic of China (PRC)

Re: Sinovac Dividends and Disclosures

Dear Board of Directors:

Heng Ren Partners respectfully urges the Board to immediately disclose record and payment dates to effectuate the \$55 special cash dividend announced on April 1, 2025 (the “Special Dividend”). The Company’s silence is sowing needless speculation about its intentions and motives. The time is now for transparency about the record date and the precise timing of the Special Dividend payment. As discussed below, the Board possesses the requisite power and authority as well as the obligation to effectuate the Special Dividend now.

Time is of the essence. As we have discussed in prior communications, for more than six years Sinovac shareholders’ capital has been locked up—preventing shareholders from receiving any benefit from their investment. Sinovac shareholders deserve both expediency and transparency with the immediate announcement of a record date and payment of the Special Dividend. Since the Special Dividend was announced on April 1, Sinovac shareholders have received *no* disclosure regarding the mechanics, record date, and payment date of the Special Dividend.

Although the Company’s current circumstances may be unique, they do not prevent the Board from immediately disclosing record and payment dates and paying the Special Dividend. For the reasons set forth below, the Company (i) meets all legal requirements to pay the Special Dividend, (ii) is not prevented from paying dividends by the receipt of a notice of requisition for a special shareholders’ meeting, and (iii) may segregate and withhold dividends relating to share issuances with legal challenges to their validity.

First, Sinovac meets all legal requirements to pay the Special Dividend. The Board announced the Special Dividend and the Company is solvent, sitting on \$10.3 billion in net cash (or \$143 in cash per share) that it has accumulated while trading in its stock has been halted. **There is simply no impediment to paying the \$55 Special Dividend immediately—nor does Antigua law require that a company’s shares be actively traded on an exchange as a condition to paying dividends to shareholders.**

Under the Antigua and Barbuda International Business Corporations Act (the “**IBCA**”) (sections 51 and 52 when read together) *a corporation may declare and pay a dividend in cash, so long as that company is not insolvent or will not be rendered insolvent by the payment of the dividend.* These provisions are consistent with Sinovac’s bylaws. There is no risk of Sinovac’s insolvency caused by the payment of the Special Dividend declared on April 1.

Second, the mere fact that a special shareholders’ meeting has been requested does not prevent the Board from causing Sinovac to pay the Special Dividend. Following the ruling on January 16 of the Privy Council, the Board has full legal authority to declare and pay a dividend. SAIF’s proxy contest— announced on March 19—to request an election to try to elect a new board, does not change this fact. Under Antiguan law a corporation may declare and pay to the shareholders such dividends as the directors deem appropriate. There is no exception for times when a special shareholders meeting is purportedly called.

The Board has the full legal authority to declare and pay a dividend, even while a proxy contest is underway to replace it, if the dividend is declared and paid in good faith and for proper purposes.

Third, there is no basis for delaying the payment of the Special Dividend due to the dispute relating to the validity of certain purportedly issued shares. The Privy Council has already ruled that the Company’s Rights Agreement was invalid. To address the fact that dividends are not paid to shares that the Privy Council ruled were invalidly issued, the Company should instruct the trustee holding the shares to cancel these shares.

The Depository Trust Corporation (DTC) would then reverse their issuance and the shares would be removed from the shareholder accounts. This would prevent the error of paying dividends to the wrong parties.

If, however, the Board has questions as to the validity of such shares, **Antigua law does not prohibit the payment of dividends to undisputed shareholders, while holding dividends relating to disputed shares.** The Board has already

suggested this approach by setting aside and retaining an amount equal to the aggregate amount of cash that would be payable under the Special Dividend relating to the 2018 PIPE Shares (as that term is defined in Sinovac's press release dated April 1, 2025).

The Company must announce the details for payment of the Special Dividend without delay. It is the Board's duty to immediately disclose this information, in full, to its stockholders. An expectation of receipt of a dividend in appropriate circumstances is part of a shareholder's entitlement, especially with the April 1 declaration by the Board of a \$55 Special Dividend. We know that many shareholders want confirmation of when the Special Dividend finally will be paid. Of course, as discussed in my previous letter dated as of April 8, 2025, we expect the Special Dividend is only the first step. An additional \$41 dividend is warranted given the Company's cash in excess of several years of capital expenditure.

Heng Ren looks forward to your prompt response. To date two previous letters have received no response. Heng Ren also reiterates the Board's obligation to make full and fair disclosure—including by responding to Heng Ren's previous request for Books and Records related to the \$2.7 billion in dividend payments reportedly made by the Company from 2021–2024 to certain stockholders.

Sincerely,



Peter Halesworth

Founder & CIO

Heng Ren Silk Road Investments LLC

cc: Jeffrey R. Katz
Daniel V. Ward
William T. Davison

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Dan Wise
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Sinovac Board of Directors:

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Mr. Yuk Lam Lo & c/o Helen Yang
Dr. David Guowei Wang & c/o Heng Yang
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