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三生制药
3SBIO INC.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1530)

(Convertible Bonds Code: 40285)

**(1) FURTHER EXTENSION OF FACILITY AGREEMENT
AND
(2) CHANGE OF COMPANY SECRETARY, AUTHORIZED
REPRESENTATIVE AND PROCESS AGENT**

The Board announces that:

- (1) on 17 July 2021, Strategic International, a wholly-owned subsidiary of the Company, agreed to further extend for two years the maturity date of a US\$30,000,000 loan made by it to Medical Recovery (as defined below); and
- (2) Mr. LEE Kwok Fai Kenneth has been appointed by the Company as the Company Secretary, the Authorized Representative and the Process Agent in place of Ms. LEUNG Suet Wing, with effect from 17 July 2021.

Reference is made to (i) the announcement of the Company dated 17 July 2018 in relation to the Facility Agreement, pursuant to which Strategic International, a direct wholly-owned subsidiary of the Company, agreed to provide a loan to Medical Recovery in the principal amount of US\$30,000,000 (for illustration purposes only, equivalent to approximately HK\$232,965,000) with an interest rate of 4% per annum; (ii) the announcement of the Company dated 17 July 2019 in relation to the extension of the Facility Agreement for one year until 17 July 2020; and (iii) the announcement of the Company dated 17 July 2020 in relation to the further extension of the Facility Agreement for one year until 17 July 2021 (the “**Announcements**”).

FURTHER EXTENSION OF FACILITY AGREEMENT

As disclosed in the Announcements, the purpose of the Loan is for Medical Recovery to purchase the issued ordinary shares of the Company for employee retention and incentive purposes and the monies borrowed under the Facility Agreement are to be applied towards financing the purchase of Shares and the fees and expenses incurred by it relating to such purchase for employee retention and incentive purposes. The Loan was initially extended from the Original Final Maturity Date to the First Extended Maturity Date, being 17 July 2020, and subsequently further extended to the Second Extended Maturity Date, being 17 July 2021.

On 17 July 2021, Medical Recovery issued a Third Notice of Extension, requesting that the maturity date of the Loan be further extended for two years to the Third Extended Final Maturity Date. Upon acknowledgment of the terms of the Third Notice of Extension, Strategic International agreed to the Third Extension.

Pursuant to the Third Notice of Extension, the maturity date of the Loan shall be further extended to the Third Extended Final Maturity Date, being 17 July 2023. Medical Recovery will, within three Business Days of demand, pay to Strategic International the amount of all costs and expenses (including legal fees) reasonably incurred by Strategic International in connection with the Third Extension.

Save as disclosed herein, the Facility Agreement shall remain in full force and effect notwithstanding the Third Extension. For details of the terms of the Facility Agreement and the Extension, please refer to the Announcements.

INFORMATION OF THE TRUST AND MEDICAL RECOVERY

The Trust was incorporated in the Cayman Islands and was established by Mr. TAN Bo, Ms. SU Dongmei, Mr. HUANG Bin and Mr. LI Ke (all being the settlors), with TMF (Cayman) Ltd. acting as the trustee and the beneficiaries of which are employees of the Company and other persons declared by the advisory committee of the Trust and/or the trustee. Dr. LOU Jing, Ms. SU Dongmei, Mr. HUANG Bin and Ms. ZENG Dan are the current members of the advisory committee of the Trust.

Medical Recovery is owned as to 100% by the Trust and was set up for employee incentive purposes. As at the date of this announcement, Medical Recovery directly holds approximately 1.44% of the issued share capital of the Company and it is an associate of the connected persons of the Company for purposes of the Listing Rules as it is controlled by Dr. LOU Jing, Ms. SU Dongmei and Mr. HUANG Bin as directors of the Company.

INFORMATION OF THE COMPANY AND STRATEGIC INTERNATIONAL

The Company is a leading biotechnology company in the PRC founded in 1993. As a pioneer in the PRC biotechnology industry, the Group has extensive expertise in developing, manufacturing and commercializing biopharmaceuticals, including principally non-monoclonal antibody biopharmaceutical products.

Strategic International is a direct wholly-owned subsidiary of the Company and is the issuer of Euro 320,000,000 zero coupon convertible bonds due 2025. Please see the Company's announcements dated 17 June 2020, 18 June 2020 and 29 June 2020 for details.

REASONS FOR AND BENEFITS OF AGREEING TO THE THIRD EXTENSION

The purpose of the Loan is for Medical Recovery to purchase the issued ordinary shares of the Company for employee retention and incentive purposes. The Company considers it an effective and efficient way to motivate and incentivise its employees on a continuous basis, which is beneficial to the sustainable development of the Group. In addition, the Board considers that the Group currently has surplus cash resources and agreeing to the Extension can put such resources to more efficient use and to generate better returns.

The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the Third Notice of Extension are on normal commercial terms after arm's length negotiations between the respective parties, and the terms of the Third Notice of Extension are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Medical Recovery directly holds approximately 1.44% of the issued share capital of the Company as at the date of this announcement, and it is an associate of the connected persons of the Company for purposes of the Listing Rules. Therefore, the Loan, the First Extension, the Second Extension and the Third Extension constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Facility Agreement, the First Extension, the Second Extension and the Third Extension in aggregate pursuant to Rule 14A.81 of the Listing Rules is more than 0.1% but less than 5%, the Third Notice of Extension and the transactions contemplated thereunder are subject to reporting and announcement requirements but are exempt from the independent shareholders' approval requirements under the Listing Rules.

As at the date of this announcement, save for Dr. LOU Jing (who is an advisory committee member of the Trust), Ms. SU Dongmei and Mr. HUANG Bin (who are settlors and advisory committee members of the Trust), none of the Directors has any material interest in the Third Extension and the Third Notice of Extension, and none of the Directors other than Dr. LOU Jing, Ms. SU Dongmei and Mr. HUANG Bin is required to abstain from voting on the Board resolutions approving the Third Notice of Extension and the transactions contemplated thereunder.

CHANGE OF COMPANY SECRETARY, AUTHORIZED REPRESENTATIVE AND PROCESS AGENT

The Board hereby announces that Ms. Leung has resigned from her positions as the Company Secretary, the Authorized Representative and the Process Agent due to work allocation, with effect from 17 July 2021. Ms. Leung has confirmed that there is no disagreement with the Board and that there are no matters that need to be brought to the attention of the Stock Exchange or the Shareholders in relation to her resignation.

The Board is pleased to further announce that Mr. Lee has been appointed by the Company as the Company Secretary, the Authorized Representative and the Process Agent in place of Ms. Leung, with effect from 17 July 2021.

Mr. Lee is a director and head of the global entity management division of TMF Hong Kong Limited, which is a corporate secretarial services provider. He has over 20 years of experience in providing transaction and consulting services to clients spanning a number of sectors including financial services, healthcare and life sciences. He is a member of the American Institute of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants and a Chartered Financial Analyst.

The Board would like to take this opportunity to express its sincere gratitude to Ms. Leung for her valuable contribution to the Company during her tenure of services, and to express its welcome to Mr. Lee on his new appointment.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Authorized Representative”	the authorized representative of the Company under Rule 3.05 of the Listing Rules
“Board”	the board of Directors of the Company
“Business Day(s)”	day(s) (other than a Saturday or Sunday) on which banks are open for general business in Beijing, BVI, Hong Kong, and, if on that day a payment or Loan is required to be made under the Facility Agreement, New York City
“BVI”	the British Virgin Islands
“Company”	3SBio Inc. 三生制药, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange

“Company Secretary”	the company secretary of the Company
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Euro”	the lawful currency of the member state of the Eurozone
“Facility Agreement”	the facility agreement dated 17 July 2018 entered into between Strategic International and Medical Recovery in relation to the Loan of US\$30,000,000 provided by Strategic International to Medical Recovery
“First Extended Maturity Date”	17 July 2020
“First Extension”	the extension of the Original Final Maturity Date to the First Extended Maturity Date
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan”	a term loan of US\$30,000,000 provided by Strategic International to Medical Recovery under the Facility Agreement
“Medical Recovery”	Medical Recovery Limited, a BVI business company incorporated with limited liability, which directly holds approximately 1.44% of the issued share capital of the Company as at the date of this announcement
“Mr. Lee”	Mr. LEE Kwok Fai Kenneth (李國輝)
“Ms. Leung”	Ms. LEUNG Suet Wing (梁雪穎)
“Original Final Maturity Date”	17 July 2019, being the date falling 12 months after the date of the Facility Agreement

“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Process Agent”	the agent for the acceptance of service of process and notices on behalf of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Second Extended Maturity Date”	17 July 2021
“Second Extension”	the extension of the First Extended Maturity Date to the Second Extended Maturity Date
“Shareholder(s)”	the holder(s) of the Shares
“Share(s)”	ordinary share(s) in the capital of the Company with a par value of US\$0.00001 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic International”	Strategic International Group Limited, a business company incorporated with limited liability in the BVI and a direct wholly-owned subsidiary of the Company as at the date of this announcement
“Third Extended Maturity Date”	17 July 2023
“Third Extension”	the extension of the Second Extended Maturity Date to the Third Extended Maturity Date
“Third Notice of Extension”	the third notice of extension issued by Medical Recovery, requesting that the Second Extended Maturity Date be extended to the Third Extended Maturity Date
“Trust”	The Sun Shine Trust, a trust established by Mr. TAN Bo, Ms. SU Dongmei, Mr. HUANG Bin and Mr. LI Ke (all being the settlors), with TMF (Cayman) Ltd. acting as the trustee and the beneficiaries of which are employees of the Company and other persons declared by the advisory committee of the Trust and/or the trustee, and with Dr. LOU Jing, Ms. SU Dongmei, Mr. HUANG Bin and Ms. ZENG Dan as the current members of the advisory committee of the Trust
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of US\$1.00=HK\$7.7655 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such rate or any other rate or at all on the date or dates in question or any other date.

By order of the Board
3SBio Inc.
Dr. LOU Jing
Chairman

Shenyang, the PRC
18 July 2021

As at the date of this announcement, the Board comprises Dr. LOU Jing and Ms. SU Dongmei as executive Directors; Mr. HUANG Bin and Mr. TANG Ke as non-executive Directors; and Mr. PU Tianruo, Dr. WONG Lap Yan and Ms. YANG, Hoi Ti Heidi as independent non-executive Directors.