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3SBIO INC.

三生制药

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1530)

**(1) CONNECTED TRANSACTION AND MAJOR TRANSACTION
IN RELATION TO THE ACQUISITION OF
FURTHER EQUITY INTERESTS IN SHANGHAI CP GUOJIAN
PHARMACEUTICAL CO., LTD AND PROPOSED GRANT OF OPTIONS
AND (2) CLARIFICATION**

THE TRANSACTIONS

Reference is made to the voluntary announcement of the Company dated February 22, 2016 in relation to the further acquisition of indirect equity interests in the Target. The Board is pleased to announce that on March 3, 2016, the Company entered into Agreement VII with CITIC Holdings, pursuant to which the Company conditionally agreed to acquire and CITIC Holdings conditionally agreed to sell the entire issued share capital of Gains Prestige, which holds an approximately 43.42% equity interest in the Target through Full Gain, and CITIC Holdings' interest in the CITIC Loan.

In connection with Agreement VII, it is expected that the Company will enter into the Option Deed with CITIC Holdings and CITIC Pacific, pursuant to which the Company will conditionally agree to grant the Options to CITIC Pacific.

The Options will form part of the consideration of Acquisition VII and shall become exercisable if the relevant requirements or the regulations of the Stock Exchange have been fulfilled (including but not limited to obtaining the Shareholders' approval for the issue of the Option Shares and the Stock Exchange's listing approval for the listing of the Option Shares) and in the following manner:

- (a) 60% of the Options (i.e. 75,459,300 Shares subject to adjustment) shall be exercisable by CITIC Pacific if the Target obtains the Drug Registration Approval (藥品註冊批件) and the New Drug Certificate (新藥證書) issued by the CFDA or its authorized institution for the Target's recombinant humanized anti-HER2 monoclonal antibody for injection (注射用重組抗HER2人源化單克隆抗體) (also generally known as Ipterin (賽普汀)) before September 30, 2016 and CITIC Pacific has issued an exercise notice to the Company within 36 months of the signing of the Option Deed; and

(b) 40% of the Options (i.e. 50,306,200 Shares subject to adjustment) shall be exercisable by CITIC Pacific if the Target obtains the Drug Registration Approval (藥品註冊批件) and the New Drug Certificate (新藥證書) issued by the CFDA or its authorized institution for the Target's recombinant anti-CD20 chimeric monoclonal antibody injection (重組抗 CD20 人鼠嵌合單克隆抗體注射液) (also generally known as Jiantuoxi (健妥昔)) before December 31, 2017 and CITIC Pacific has issued an exercise notice to the Company within 36 months of the signing of the Option Deed.

The Option Shares represent approximately 5.00% of the issued share capital of the Company as at the date of this announcement or approximately 4.76% of the issued share capital of the Company as enlarged by the Option Shares upon exercise of the Options in full. An application will be made to the Stock Exchange for the listing of, and the permission to deal in, the Option Shares. The Option Shares, when issued and fully paid, will rank pari passu in all respects with all the Shares then in issue.

The Board further announces that Shenyang Sunshine, a wholly-owned subsidiary of the Company, entered into Agreement VIII with Xizang Hongshang, pursuant to which Shenyang Sunshine agreed to acquire and Xizang Hongshang agreed to sell a 30% equity interest in Shanghai Hongshang, a non-wholly owned subsidiary of the Company in which Shenyang Sunshine held a 70% equity interest before entering into Agreement VIII and which holds an approximately 96.25% equity interest in Lansheng Guojian. For the background of Shenyang Sunshine's acquisition of the 70% equity interest in Shanghai Hongshang, please refer to the announcement of the Company dated November 20, 2015.

Upon completion of the Transactions: (i) Shanghai Hongshang will become an indirect wholly-owned subsidiary of the Company; and (ii) the Group will collectively control approximately 97.78% of the equity interests in the Target.

LISTING RULES IMPLICATION

Reference is made to the announcements of the Company dated November 20, 2015 and January 26, 2016, which contain particulars of Previous Acquisition II and Previous Acquisition III, respectively. As Previous Acquisition II and Previous Acquisition III relate to acquisitions of equity interests in the Target and were completed within 12 months of the Transactions, Previous Acquisition II, Previous Acquisition III and the Transactions have been aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of Previous Acquisition II, Previous Acquisition III and the Transactions is more than 25% but all percentage ratios are less than 100%, the Transactions constitute a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement and Shareholders' approval requirements under the Listing Rules.

Pursuant to the Listing Rules, Shareholders' approval is required for a major transaction. As no Shareholders have a material interest in the Transactions, no Shareholders would be required to abstain from voting if the Company was to convene a general meeting for approving the Transactions. The Company will not be required to convene a general meeting for approving the Transactions for being a major transaction because the Company has obtained the Written Shareholders' Approval from the Controlling Shareholders and CS Sunshine in lieu of convening a general meeting as permitted by Rule 14.44 of the Listing Rules. The Controlling Shareholders and CS Sunshine, being a closely allied group of Shareholders, together control 1,550,841,430 Shares, representing approximately 61.66% of the issued share capital of the Company as at the date of this announcement.

Gains Prestige is interested in more than 10% equity interest in the Target, which is an indirect non-wholly owned subsidiary of the Company. CITIC Pacific and CITIC Holdings are holding companies of Gains Prestige. Separately, Xizang Hongshang is interested in more than 10% equity interest in Shanghai Hongshang, which is an indirect non-wholly owned subsidiary of the Company. As such, each of CITIC Pacific, CITIC Holdings, Gains Prestige and Xizang Hongshang is considered a connected person of the Company at the subsidiary level under the Listing Rules and each of Acquisition VII and Acquisition VIII therefore constitutes a connected transaction under Chapter 14A of the Listing Rules.

Pursuant to Chapter 14A of the Listing Rules, Acquisition VII will need to comply with the circular, independent financial advice and Shareholders' approval requirements since Acquisition VII involves the issue of new securities to a connected person of the Company. Unless the requirement to do so is waived by the Stock Exchange, the Company will convene an EGM for the Shareholders to consider and, if thought fit, approve the Transactions. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, as at the date of this announcement, no Shareholder is required to abstain from voting on the resolution(s) in respect of Acquisition VII at the EGM.

Pursuant to Rule 14A.37 of the Listing Rules, the Stock Exchange may waive the general meeting requirement and accept a written shareholders' approval, subject to the conditions that: (1) no shareholder of the listed issuer is required to abstain from voting if a general meeting is held to approve the transaction; and (2) the approval is given by a shareholder or a closely allied group of shareholders who (together) hold more than 50% of the voting rights in the general meeting. The Company confirms that the above requirements are satisfied and is seeking the Stock Exchange's approval for relying on the Written Shareholders' Approval to approve Acquisition VII in lieu of holding a general meeting and waive the general meeting requirement pursuant to Rule 14A.37 of the Listing Rules. The EGM will not be convened and held if the Stock Exchange grants the waiver from the general meeting requirement pursuant to Rule 14A.37 of the Listing Rules.

Since (i) Acquisition VIII is entered into on normal commercial terms or better; and (ii) the independent non-executive Directors have confirmed that the terms of Acquisition VIII are fair and reasonable, Acquisition VIII is on normal commercial terms or better and in the best interests of the Company and the Shareholders as a whole, Acquisition VIII is exempt from the circular, independent financial advice and Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

An independent board committee has been established to advise the Shareholders on Acquisition VII. An independent financial adviser will be appointed to advise the independent board committee and the Shareholders on Acquisition VII. A circular containing, among other things, further details of Previous Acquisition II, Previous Acquisition III and the Transactions along with a notice of the EGM (if any) will be dispatched to the Shareholders as soon as possible but not later than April 15, 2016. The Company will also apply to the Stock Exchange for a waiver from strict compliance with Rule 14A.46 of the Listing Rules in relation to the timing of dispatch of the circular.

As the Transactions are conditional on the satisfaction (or, if applicable, waiver) of certain conditions, it may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

CLARIFICATION

Reference is made to the announcement of the Company dated January 26, 2016.

The Company would like to clarify that prior to Previous Acquisition III, Lansheng Corporation was interested in more than 10% of equity interest in Lansheng Guojian, which was an indirect non-wholly owned subsidiary of the Company, and was therefore considered a connected person of the Company at the subsidiary level. As such, Previous Acquisition III constituted a connected transaction with a connected person at the subsidiary level under Chapter 14A of the Listing Rules. However, since (i) Previous Acquisition III was entered into on normal commercial terms or better; and (ii) the independent non-executive Directors had confirmed that the terms of Previous Acquisition III were fair and reasonable, Previous Acquisition III was on normal commercial terms or better and in the best interests of the Company and the Shareholders as a whole, Previous Acquisition III was exempt from the circular, independent financial advice and Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

THE TRANSACTIONS

Agreement VII

The principal terms of Agreement VII are summarized below:

Date:	March 3, 2016
Parties:	(i) The Company (ii) CITIC Holdings
Assets to be acquired:	The Company conditionally agreed to acquire and CITIC Holdings conditionally agreed to sell the entire issued share capital of Gains Prestige and CITIC Holdings' interest in the CITIC Loan.

Consideration: The total consideration payable by the Company to CITIC Holdings is RMB2,713,750,000, payable in Hong Kong dollars.

The consideration will be paid to CITIC Holdings in two installments. The first installment will be partly settled with the deposit paid to SUAEE and the remaining amount of the first installment will be settled within three business days of signing Agreement VII. The second installment will be settled within five business days of signing Agreement VII.

The consideration was determined between the Company and CITIC Holdings after arm's length negotiations.

Time for Completion VII: Completion VII shall take place on the date on which the transfer of the entire issued share capital of Gains Prestige from CITIC Holdings to the Company is duly completed. The Assignment Agreement will be signed on the date of Completion VII.

The Assignment Agreement

The principal terms of the Assignment Agreement are summarized below:

Date: Date of Completion VII

Parties:

- (i) The Company
- (ii) CITIC Holdings
- (iii) Gains Prestige

Assets to be acquired: CITIC Holdings agreed to assign to the Company its interests in the CITIC Loan.

Consideration: The consideration for the assignment of the interests in the CITIC Loan held by CITIC Holdings shall be settled with the second installment of the consideration payable by the Company to CITIC Holdings under Agreement VII.

Time for completion of the Assignment Agreement: The assignment of the CITIC Loan from CITIC Holdings to the Company shall take effect on the date of the Assignment Agreement.

The Option Deed

In connection with Agreement VII, it is also expected that the Company will enter into the Option Deed with CITIC Holdings and CITIC Pacific. The principal terms of the Option Deed are summarized below:

Parties:

- (i) The Company
- (ii) CITIC Holdings
- (iii) CITIC Pacific

Exercise Price:

The higher of the following:

- (i) HK\$9.10 per Option Share; or
- (ii) 80.01% of the higher of (x) the closing price of the Shares on the date of the Option Deed and (y) the average of the closing prices of the Shares for the five trading days immediately prior to the date of the Option Deed (to be rounded up to the nearest cent in Hong Kong dollars).

The Exercise Price was arrived at after arm's length negotiations among the Company, CITIC Holdings and CITIC Pacific with reference to the market condition and the prevailing market price of the Shares.

The Exercise Price shall be subject to customary adjustment events such as share consolidation or subdivision or issue of Shares by way of capitalization of profits or reserves by the Company (excluding (i) any issue of Shares pursuant to exercise of warrants issued by the Company prior to the Listing; (ii) issue of Shares by the Company pursuant to the exercise of options issued by the Company under share option schemes compliant with Chapter 17 of the Listing Rules; and (iii) any issue of Shares or options in connection with acquisitions by the Company).

The Directors consider the Exercise Price fair and reasonable.

Options to be granted:

Options representing 125,765,500 Option Shares.

The Options will form part of the consideration of Acquisition VII and shall be granted and issued by the Company to CITIC Pacific on the date of Completion VII (or a later date agreed by CITIC Pacific in writing) in accordance with the relevant requirements or the regulations of the Stock Exchange (including but not limited to obtaining the Shareholders' approval for the issue of the Option Shares and the Stock Exchange's listing approval for the listing of the Option Shares).

Exercise conditions:

The Options shall become exercisable if the relevant requirements or the regulations of the Stock Exchange have been fulfilled (including but not limited to obtaining the Shareholders' approval for the issue of the Option Shares and the Stock Exchange's listing approval for the listing of the Option Shares) and in the following manner:

- (a) 60% of the Options (i.e. 75,459,300 Shares subject to adjustment) shall be exercisable by CITIC Pacific if the Target obtains the Drug Registration Approval (藥品註冊批件) and the New Drug Certificate (新藥證書) issued by the CFDA or its authorized institution for the Target's recombinant humanized anti-HER2 monoclonal antibody for injection (注射用重組抗 HER2 人源化單克隆抗體) (also generally known as Ipterin (賽普汀)) before September 30, 2016 and CITIC Pacific has issued an exercise notice to the Company within 36 months of the signing of the Option Deed; and
- (b) 40% of the Options (i.e. 50,306,200 Shares subject to adjustment) shall be exercisable by CITIC Pacific if the Target obtains the Drug Registration Approval (藥品註冊批件) and the New Drug Certificate (新藥證書) issued by the CFDA or its authorized institution for the Target's recombinant anti-CD20 chimeric monoclonal antibody injection (重組抗 CD20 人鼠嵌合單克隆抗體注射液) (also generally known as Jiantuoxi (健妥昔)) before December 31, 2017 and CITIC Pacific has issued an exercise notice to the Company within 36 months of the signing of the Option Deed.

For each of the exercise conditions (a) and (b) above, the Options may be exercised by CITIC Pacific in not more than three batches, respectively.

Transferability:

The rights and obligations under the Option Deed may not be transferred to any third party by any party to the Option Deed without the other parties' written consent.

The Option Shares represent approximately 5.00% of the issued share capital of the Company as at the date of this announcement or approximately 4.76% of the issued share capital of the Company as enlarged by the Option Shares upon exercise of the Options in full. The Option Shares will be allotted and issued by the Company under the General Mandate but are subject to the Shareholders' approval at the EGM unless the requirement is otherwise waived by the Stock Exchange. An application will be made to the Stock Exchange for the approval of the listing of, and the permission to deal in, the Option Shares. The Option Shares, when issued and fully paid, will rank pari passu in all respects with all the Shares then in issue.

Agreement VIII

The principal terms of Agreement VIII are summarized below:

Date:	March 3, 2016
Parties:	(i) Shenyang Sunshine (ii) Xizang Hongshang
Assets to be acquired:	Shenyang Sunshine agreed to acquire and Xizang Hongshang agreed to sell a 30% equity interest in Shanghai Hongshang, which holds an approximately 96.25% equity interest in Lansheng Guojian, the principal asset of which is an approximately 41.69% equity interest in the Target.
Consideration:	The total consideration payable by Shenyang Sunshine to Xizang Hongshang in respect of Agreement VIII is RMB1,217,994,489.98. The consideration will be paid to Xizang Hongshang in two installments, and will be fully settled within three business days (which according to Agreement VIII, include Monday to Friday but exclude PRC statutory holidays) from the date on which the registrations with the relevant PRC government authorities in relation to Agreement VIII are completed. The consideration was determined between Shenyang Sunshine and Xizang Hongshang after arm's length negotiations.
Time for Completion VIII:	Completion VIII shall take place within five business days of signing of Agreement VIII when (i) all the relevant constitutional documents and register of members have been updated to reflect Completion VIII; and (ii) all the necessary resolutions have been passed for the purpose of Completion VIII.

Upon completion of the Transactions: (i) Shanghai Hongshang will become an indirect wholly-owned subsidiary of the Company; and (ii) the Group will collectively control approximately 97.78% of the equity interests in the Target. The Company may acquire further equity interests in the Target. The Company will continue to work with the Target's other shareholder, customers and employees in strengthening the Target's position as a leading biopharmaceutical company in the PRC's antibody product sector and is committed to working with the Target in expanding its business within the PRC and internationally.

Following Completion VII, the Target will gradually cease to use the "CITIC" ("中信") brand in relation to the Target and the Target's subsidiaries and the Company intends to change the official Chinese name of the Target from "上海中信國健藥業股份有限公司" (Shanghai CP Guojian Pharmaceutical Co., Ltd.) to "上海三生國健藥業股份有限公司" (Shanghai Sunshine Guojian Pharmaceutical Co., Ltd.) subject to the registrations with the relevant government authorities.

INFORMATION OF THE TARGET

The Target was incorporated in the PRC on January 25, 2002. It is a biopharmaceutical company with expertise in developing, manufacturing and marketing monoclonal antibody therapeutics. As at the date of this announcement and prior to completion of the Transactions, the Group collectively controls an approximately 54.36% equity interest in the Target.

Based on the information provided by the Target, the following is a summary of the consolidated financial information of the Target for the two financial years ended December 31, 2014 and 2015. The financial information of the Target was prepared in accordance with the PRC GAAP.

	For the year ended December 31, 2014 (audited) RMB'000	For the year ended December 31, 2015 (unaudited) RMB'000
Revenue	780,114	879,679
Gross margin	725,676	823,519
Operating income	162,055	167,687
Net profit before taxation and extraordinary items	245,795	283,534
Net profit after taxation and extraordinary items	213,420	253,589

As of December 31, 2014 and 2015, the net asset value of the Target amounts to approximately RMB2,050,527,000 (*audited*) and RMB2,304,352,000 (*unaudited*), respectively.

INFORMATION OF GAINS PRESTIGE AND FULL GAIN

Gains Prestige was incorporated in the BVI on September 2, 2014. It is an investment holding company and as of December 31, 2015, did not have any material assets other than its holding of an approximately 43.42% equity interest in the Target through Full Gain.

Based on the information provided by Gains Prestige, the following is a summary of the financial information of Gains Prestige for the period from September 2, 2014 (i.e. the date of incorporation of Gains Prestige) to December 31, 2014 and the year ended December 31, 2015. The financial information of Gains Prestige was prepared in accordance with the Hong Kong Financial Reporting Standards.

	Between September 2, 2014 and December 31, 2014 (audited) HK\$	For the year ended December 31, 2015 (unaudited) HK\$
Net profit/(loss) before taxation and extraordinary items	(18,114)	10,000
Net profit/(loss) after taxation and extraordinary items	(18,114)	10,000

Full Gain was incorporated in Hong Kong on October 6, 2014. It is an investment holding company and as of December 31, 2015, did not have any material assets other than its holding of an approximately 43.42% equity interest in the Target.

Based on the information provided by Full Gain, the following is a summary of the financial information of Full Gain for the period from October 6, 2014 (i.e. the date of incorporation of Full Gain) to December 31, 2014 and the year ended December 31, 2015. The financial information of Full Gain was prepared in accordance with the Hong Kong Financial Reporting Standards.

	Between October 6, 2014 and December 31, 2014 (audited) HK\$	For the year ended December 31, 2015 (unaudited) HK\$
Net profit/(loss) before taxation and extraordinary items	(26,807)	9,239
Net profit/(loss) after taxation and extraordinary items	(26,807)	9,239

The 43.42% equity interest in the Target held by Full Gain originated from CITIC Limited's initial capital contribution of RMB350 million to the Target in 2002 which was subsequently transferred to Full Gain due to an internal reorganization of CITIC Limited in 2014.

INFORMATION OF SHANGHAI HONGSHANG AND LANSHENG GUOJIAN

Shanghai Hongshang was incorporated in the PRC on November 5, 2015. It is an investment holding company and as of December 31, 2015, did not have any material assets other than its holding of an approximately 96.25% equity interest in Lansheng Guojian.

Lansheng Guojian was incorporated in the PRC on December 23, 1998. It is a holding company and as of December 31, 2015, did not have any material assets other than bank deposits of approximately RMB34,769,000 and its holding of an approximately 41.69% equity interest in the Target.

Based on the information provided by Lansheng Guojian, the following is a summary of the financial information of Lansheng Guojian for the two financial years ended December 31, 2014 and 2015. The financial information of Lansheng Guojian was prepared in accordance with the PRC GAAP.

	For the year ended December 31, 2014 (audited) RMB'000	For the year ended December 31, 2015 (unaudited) RMB'000
Net profit before taxation and extraordinary items	76,027	80,882
Net profit after taxation and extraordinary items	76,027	80,882

Xizang Hongshang has not provided the Company with any information relating to the original cost of acquisition of the 30% equity interest in Shanghai Hongshang to Xizang Hongshang.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Given the Target's expertise in the development, manufacture and marketing of monoclonal antibody therapeutics, the Company is of the view that acquiring a further stake in the Target will enable the Company to significantly expand its product portfolio, thereby offering a greater potential for profit and long-term business sustainability.

Additional approved products and product candidates

Through these Transactions, the Company will add two approved products to its product portfolio, namely Yisaipu (益賽普) (also generally known as etanercept (依那西普)) and Xenopax (健尼脈) (also generally known as daclizumab (達利珠單抗)). The Company will also acquire a pipeline of monoclonal antibody product candidates for which new drug applications have been filed.

Yisaipu is indicated for the treatment of rheumatoid arthritis, plaque psoriasis and ankylosing spondylitis and according to IMS data, had a dominant market share of 61.0% by sales in 2013. Xenopax targets the treatment of acute cellular rejection after solid organ transplantation.

Besides the additional approved products and product candidates highlighted above, the Company also believes that these Transactions will bring the following benefits to the Company:

Integration with the Company's existing manufacturing platforms

The Target will provide a manufacturing platform for the Company's phase I monoclonal antibody anti-TNF alpha candidates for the treatment of rheumatoid arthritis. The Target's monoclonal antibody manufacturing platform is complementary to the Company's other manufacturing platforms for mammalian and bacterial recombinant proteins in Shenyang and Shenzhen, and chemically synthesized small molecules in Hangzhou. Such platform will also enable the Company to develop, manufacture and market a wide range of medicines within its therapeutic areas.

The Target currently operates five antibody production lines with a total annual capacity of over 8,000 liters. Six new antibody production lines with a total annual capacity of 30,000 liters are currently under trial run.

Integration with the Company's sales and research and development teams

Upon completion of these Transactions, the Company will be able to: (i) integrate its existing oncology sales team with the Target's rheumatology sales team in marketing the Company's and the Target's oncology and rheumatology product candidates in the pipeline; and (ii) strengthen its research and development capabilities for monoclonal antibody products through integration of the Target's research and development team into the Company's existing research and development platform.

For further details on the Company's existing cooperation with CP Guojian, please refer to the section headed "Business — Our Strategic Cooperation with CP Guojian" in the Prospectus.

The Board considers that the terms and conditions of Agreement VII, the Assignment Agreement, the Option Deed and Agreement VIII are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECT ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon exercise of the Options in full are set out as below:

Shareholders	Immediately before exercise of the Options		Immediately after exercise of the Options in full	
	<i>Number of Shares</i>	<i>Approximate % of the issued share capital of the Company</i>	<i>Number of Shares</i>	<i>Approximate % of the issued share capital of the Company as enlarged by the Option Shares upon exercise of the Options in full</i>
CS Sunshine	712,258,360	28.32	712,258,360	26.97
Controlling Shareholders	838,583,070	33.34	838,583,070	31.75
<i>Sub-total</i>	1,550,841,430	61.66	1,550,841,430	58.72
CITIC Pacific	—	—	125,765,500	4.76
Other Shareholders	964,472,140	38.34	964,472,140	36.52
<i>Total</i>	<u>2,515,313,570</u>	<u>100.00</u>	<u>2,641,079,070</u>	<u>100.00</u>

Note: The percentages are subject to rounding difference, if any.

USE OF PROCEEDS

Assuming (i) the Exercise Price is HK\$9.10 per Option Share; (ii) all of the exercise conditions under the Option Deed are satisfied; and (iii) the Options are exercised in full, the net proceeds from the exercise of the Options are estimated to be approximately HK\$1,144.5 million, which the Company intends to use for general corporate purposes and undertaking other acquisitions.

FUNDS RAISED BY ISSUING EQUITY IN THE LAST 12 MONTHS

Shares were issued during the Company's global offering on June 1, 2015. The net proceeds from the Listing (after deducting underwriting fees and all Listing-related expenses) amounted to approximately HK\$5,067.6 million. For further details of the latest use of proceeds from the Listing, please refer to the announcement of the Company dated January 26, 2016. As of the date of this announcement, the proceeds from the Listing has been fully utilized for the acquisition of equity interests in the Target.

GENERAL INFORMATION

The Company is a leading biopharmaceutical company in the PRC. The Group has extensive expertise in developing, manufacturing and marketing biopharmaceuticals.

CITIC Pacific and CITIC Holdings are investment holding companies principally engaged in investment and investment management.

Xizang Hongshang is an investment holding company principally engaged in investment management, investment consultancy, import and export trading and sale of mineral products and machinery.

LISTING RULES IMPLICATION

Reference is made to the announcements of the Company dated November 20, 2015 and January 26, 2016, which contain particulars of Previous Acquisition II and Previous Acquisition III, respectively. As Previous Acquisition II and Previous Acquisition III relate to acquisitions of equity interests in the Target and were completed within 12 months of the Transactions, Previous Acquisition II, Previous Acquisition III and the Transactions have been aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of Previous Acquisition II, Previous Acquisition III and the Transactions is more than 25% but all percentage ratios are less than 100%, the Transactions constitute a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement and Shareholders' approval requirements under the Listing Rules.

Pursuant to the Listing Rules, Shareholders' approval is required for a major transaction. As no Shareholders have a material interest in the Transactions, no Shareholders would be required to abstain from voting if the Company was to convene a general meeting for approving the Transactions. The Company will not be required to convene a general meeting for approving the Transactions for being a major transaction because the Company has obtained the Written Shareholders' Approval from the Controlling Shareholders and CS Sunshine in lieu of convening a general meeting as permitted by Rule 14.44 of the Listing Rules. The Controlling Shareholders and CS Sunshine, being a closely allied group of Shareholders, together control 1,550,841,430 Shares, representing approximately 61.66% of the issued share capital of the Company as at the date of this announcement.

Gains Prestige is interested in more than 10% equity interest in the Target, which is an indirect non-wholly owned subsidiary of the Company. CITIC Pacific and CITIC Holdings are holding companies of Gains Prestige. Separately, Xizang Hongshang is interested in more than 10% equity interest in Shanghai Hongshang, which is an indirect non-wholly owned subsidiary of the Company. As such, each of CITIC Pacific, CITIC Holdings, Gains Prestige and Xizang Hongshang is considered a connected person of the Company at the subsidiary level under the Listing Rules and each of Acquisition VII and Acquisition VIII therefore constitutes a connected transaction under Chapter 14A of the Listing Rules.

Pursuant to Chapter 14A of the Listing Rules, Acquisition VII will need to comply with the circular, independent financial advice and Shareholders' approval requirements since Acquisition VII involves the issue of new securities to a connected person of the Company. Unless the requirement to do so is waived by the Stock Exchange, the Company will convene an EGM for the Shareholders to consider and, if thought fit, approve the Transactions. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, as at the date of this announcement, no Shareholder is required to abstain from voting on the resolution(s) in respect of Acquisition VII at the EGM.

Pursuant to Rule 14A.37 of the Listing Rules, the Stock Exchange may waive the general meeting requirement and accept a written shareholders' approval, subject to the conditions that: (1) no shareholder of the listed issuer is required to abstain from voting if a general meeting is held to approve the transaction; and (2) the approval is given by a shareholder or a closely allied group of shareholders who (together) hold more than 50% of the voting rights in the general meeting. The Company confirms that the above requirements are satisfied and is seeking the Stock Exchange's approval for relying on the Written Shareholders' Approval to approve Acquisition VII in lieu of holding a general meeting and waive the general meeting requirement pursuant to Rule 14A.37 of the Listing Rules. The EGM will not be convened and held if the Stock Exchange grants the waiver from the general meeting requirement pursuant to Rule 14A.37 of the Listing Rules.

Since (i) Acquisition VIII is entered into on normal commercial terms or better; and (ii) the independent non-executive Directors have confirmed that the terms of Acquisition VIII are fair and reasonable, Acquisition VIII is on normal commercial terms or better and in the best interests of the Company and the Shareholders as a whole, Acquisition VIII is exempt from the circular, independent financial advice and Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

An independent board committee has been established to advise the Shareholders on Acquisition VII. An independent financial adviser will be appointed to advise the independent board committee and the Shareholders on Acquisition VII. A circular containing, among other things, further details of Previous Acquisition II, Previous Acquisition III and the Transactions along with a notice of the EGM (if any) will be dispatched to the Shareholders as soon as possible but not later than April 15, 2016. The Company will also apply to the Stock Exchange for a waiver from strict compliance Rule 14A.46 of the Listing Rules in relation to the timing of dispatch of the circular.

As the Transactions are conditional on the satisfaction (or, if applicable, waiver) of certain conditions, it may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

CLARIFICATION

Reference is made to the announcement of the Company dated January 26, 2016.

The Company would like to clarify that prior to Previous Acquisition III, Lansheng Corporation was interested in more than 10% of equity interest in Lansheng Guojian, which was an indirect non-wholly owned subsidiary of the Company, and was therefore considered a connected person of the Company at the subsidiary level. As such, Previous Acquisition III constituted a connected transaction with a connected person at the subsidiary level under Chapter 14A of the Listing Rules. However, since (i) Previous Acquisition III was entered into on normal commercial terms or better; and (ii) the independent non-executive Directors had confirmed that the terms of Previous Acquisition III were fair and reasonable, Previous Acquisition III was on normal commercial terms or better and in the best interests of the Company and the Shareholders as a whole, Previous Acquisition III was exempt from the circular, independent financial advice and Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

Save as disclosed above, all other information in the announcement of the Company dated January 26, 2016 remains unchanged.

DEFINITIONS

“Acquisition VII”	the acquisition of the entire issued share capital of Gains Prestige by the Company from CITIC Holdings and the assignment of CITIC Holdings' interest in the CITIC Loan from CITIC Holdings to the Company pursuant to the terms and conditions of Agreement VII and the Assignment Agreement
“Acquisition VIII”	the acquisition of a 30% equity interest in Shanghai Hongshang by Shenyang Sunshine from Xizang Hongshang pursuant to the terms and conditions of Agreement VIII
“Agreement VII”	the property transaction agreement (產權交易合同) dated March 3, 2016 entered into between the Company and CITIC Holdings in relation to Acquisition VII
“Agreement VIII”	the equity transfer agreement dated March 3, 2016 entered into between Shenyang Sunshine and Xizang Hongshang in relation to Acquisition VIII
“Assignment Agreement”	the assignment agreement to be entered into among the Company, CITIC Holdings and Gains Prestige on the date of Completion VII in relation to the assignment of CITIC Holdings' interest in the CITIC Loan to the Company from CITIC Holdings
“Board”	the board of Directors

“BVI”	British Virgin Islands
“CFDA”	the China Food and Drug Administration (中華人民共和國國家食品藥品監督管理總局), formerly known as the State Drug Administration (國家藥品監督管理局) and the State Food and Drug Administration (國家食品藥品監督管理局)
“CITIC Holdings”	CITIC HONG KONG (HOLDINGS) LIMITED 中信 (香港集團) 有限公司 , a company incorporated in Hong Kong which held the entire issued share capital of Gains Prestige before Acquisition VII and a wholly-owned subsidiary of CITIC Pacific
“CITIC Limited”	CITIC Limited 中國中信股份有限公司 (formerly known as CITIC PACIFIC LIMITED 中信泰富有限公司), a company incorporated in Hong Kong and the shares of which are listed on the Main Board of Stock Exchange (Stock Code: 0267)
“CITIC Loan”	the shareholders’ loan owed by Gains Prestige to CITIC Holdings for an outstanding amount of HK\$1,085,230,039 before Acquisition VII
“CITIC Pacific”	CITIC Pacific Limited (中信泰富有限公司), a company incorporated in the BVI
“Company”	3SBio Inc. 三生制藥 , a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion VII”	completion of Acquisition VII
“Completion VIII”	completion of Acquisition VIII
“Controlling Shareholders”	refers to Mr. Lou Jing, Mr. Lou Dan, Mr. Tan Bo, Ms. Su Dongmei, Mr. Huang Bin, Lambda International Limited, Century Sunshine Limited, Decade Sunshine Limited, Hero Grand Management Limited, Triple Talent Enterprises Limited, Joint Palace Group Limited, Known Virtue International Limited and Medical Recovery Limited who form a group of controlling shareholders of the Company (as defined in the Listing Rules)
“CS Sunshine”	CS Sunshine Investment Limited, a company incorporated in the BVI and a substantial shareholder of the Company (as defined in the Listing Rules)
“Director(s)”	the directors of the Company

“EGM”	extraordinary general meeting
“Exercise Price”	the applicable exercise price of the Options provided in the Option Deed
“Full Gain”	Full Gain Pharmaceutical Limited 富健藥業有限公司, a company incorporated in Hong Kong which is a wholly-owned subsidiary of Gains Prestige and holds an approximately 43.42% equity interest in the Target
“Gains Prestige”	Gains Prestige Limited (澤威有限公司), a company incorporated in the BVI, which holds the entire issued share capital of Full Gain
“General Mandate”	the general mandate given to the Directors by way of written resolutions of the then sole Shareholder dated May 23, 2015, details of which are set out in the paragraph headed “A. Further Information about our Company — 4. Written resolutions of our sole Shareholder passed on May 23, 2015” in Appendix IV to the Prospectus
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“IMS”	IMS Health Incorporated, a global provider of market intelligence to the pharmaceutical and healthcare industries
“Lansheng Corporation”	Shanghai Lansheng Corporation (上海蘭生股份有限公司), a company incorporated in the PRC which held an approximately 34.65% equity interest in Lansheng Guojian and an approximately 0.73% equity interest in the Target before Previous Acquisition III and the shares of which are listed on the Shanghai Stock Exchange under stock code 600826
“Lansheng Guojian”	Shanghai Lansheng Guojian Pharmaceutical Company Limited (上海蘭生國健藥業有限公司), a company incorporated in the PRC which holds an approximately 41.96% equity interest in the Target and an indirect non-wholly owned subsidiary of the Company
“Listing”	the listing of the Shares following the Company’s global offering on June 1, 2015

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Option Deed”	a deed to be entered into among the Company, CITIC Holdings and CITIC Pacific in relation to the issue of the Options by the Company to CITIC Pacific
“Option Shares”	an aggregate of up to 125,765,500 new Shares (subject to adjustment) to be allotted and issued by the Company following the exercise of the Options
“Options”	options carrying rights to subscribe for up to a total of 125,765,500 Shares (subject to adjustment) pursuant to the terms of the Option Deed
“PRC”	the People’s Republic of China and for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“PRC GAAP”	generally accepted accounting principles of the PRC in effect as modified from time to time
“Previous Acquisition II”	the Group’s previous acquisition of equity interests in Shanghai Hongshang and the Target in November 2015 as announced by the Company on November 20, 2015
“Previous Acquisition III”	the Group’s previous acquisition of equity interests in Lansheng Guojian and the Target in January 2016 as announced by the Company on January 26, 2016
“Prospectus”	the Company’s prospectus dated June 1, 2015
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Hongshang”	Shanghai Hongshang Investment Company Limited (上海翊騰投資有限公司), a company incorporated in the PRC which holds an approximately 96.25% equity interest in Lansheng Guojian and before Acquisition VIII, an indirect non-wholly owned subsidiary of the Company
“Shareholders”	the holder(s) of the Shares
“Shares”	ordinary share(s) in the capital of the Company with a par value of US\$0.00001 each

“Shenyang Sunshine”	Shenyang Sunshine Pharmaceutical Company Limited (瀋陽三生製藥有限責任公司), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SUAEE”	the Shanghai United Assets and Equity Exchange (上海聯合產權交易所)
“Target” or “CP Guojian”	Shanghai CP Guojian Pharmaceutical Co., Ltd. (上海中信國健藥業股份有限公司), a company incorporated in the PRC and an indirect non-wholly owned subsidiary of the Company in which the Group will collectively control approximately 97.78% of the equity interests after completion of the Transactions
“Transactions”	the transactions contemplated by Agreement VII, the Assignment Agreement, the Option Deed and Agreement VIII
“Written Shareholders’ Approval”	the written shareholders’ approval given by the Controlling Shareholders and CS Sunshine for approving the Transactions
“Xizang Hongshang”	Xizang Hongshang Capital Investment Company Limited (西藏鴻商資本投資有限公司), a company incorporated in the PRC which held a 30% equity interest in Shanghai Hongshang before Acquisition VIII
“%”	percent

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

Hong Kong, March 4, 2016

As at the date of this announcement, the Board comprises Mr. LOU Jing, Mr. TAN Bo, Ms. SU Dongmei and Mr. HUANG Bin as executive Directors; Mr. LIU Dong and Mr. LV Dong as non-executive Directors; and Mr. PU Tianruo, Mr. David Ross PARKINSON and Mr. MA Jun as independent non-executive Directors.