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**三生制药**  
**3SBIO INC.**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1530)**

**(Convertible Bonds Code: 5241)**

## **ANNOUNCEMENT TERMINATION OF ASSET PURCHASE AGREEMENT AND SHAREHOLDERS AGREEMENT; SIGNING OF EXCLUSIVITY AGREEMENT**

Reference is made to the announcements of 3SBio Inc. (the “**Company**”) dated 3 September 2017 and 27 December 2017 (the “**Announcements**”) and the circular of the Company dated 25 October 2017 (the “**Circular**”) in relation to, among other things, the formation of the Joint Venture, the grant of the Put Option and other matters contemplated under the Shareholders Agreement entered into between 3SBio Parties and CPE Funds and the proposed acquisition of the CDMO Business from the Seller by the Buyer pursuant to the terms and conditions of the Asset Purchase Agreement. Unless the context otherwise requires, capitalized terms used herein shall have the same meaning as those defined in the Announcements and the Circular.

As certain condition(s) precedent under the Asset Purchase Agreement were not satisfied or waived on or before the Long-stop Date of 30 April 2018, and the Buyer and the Seller have not agreed to a further extension of time, the Asset Purchase Agreement has lapsed and the Buyer has served a notice to the Seller in writing to terminate the Asset Purchase Agreement on 1 May 2018.

Consequently, on 1 May 2018, 3SBio Parties and CPE Funds entered into a termination agreement, pursuant to which the Shareholders Agreement was terminated.

The Board considers that the termination of the Asset Purchase Agreement and the Shareholders Agreement does not and would not have any material adverse impact on the financial position and existing business operation of the Group.

The Company has entered into an exclusivity agreement with the Seller, CPE Fund II, CPE Fund IIA, Catalyst Fund General Partner II Inc. and Catalyst Fund Limited Partnership II in order to explore alternate business opportunities and arrangements with respect to the CDMO Business. The exclusivity agreement has a one month initial term, which may be extended by mutual agreement.

By order of the Board

**3SBio Inc.**

**Dr. LOU Jing**

*Chairman*

Shenyang, the PRC

1 May 2018

*As at the date of this announcement, the directors of the Company are Dr. LOU Jing, Mr. TAN Bo, Ms. SU Dongmei and Mr. HUANG Bin as executive directors; Mr. LIU Dong and Mr. WANG Steven Dasong as non-executive directors; and Mr. PU Tianruo, Mr. David Ross PARKINSON and Mr. MA Jun as independent non-executive directors.*