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**三生制药**  
**3SBIO INC.**

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

**(Stock Code: 1530)**

**(Convertible Bonds Codes: 5241 and 40285)**

## **FURTHER EXTENSION OF FACILITY AGREEMENT**

Reference is made to 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\$232,605,000) with an interest rate of 4% per annum, and 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 (the “**Announcements**”).

### **FURTHER EXTENSION**

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 extended from the Original Maturity Date to the Extended Final Maturity Date, being 17 July 2020.

On 17 July 2020, Medical Recovery issued a Second Notice of Extension, requesting that the maturity date of the Loan be further extended for one year to the Further Extended Final Maturity Date. Upon acknowledgment of the terms of the Second Notice of Extension, Strategic International agreed to the Second Extension.

Pursuant to the Second Notice of Extension, the maturity date of the Loan shall be further extended to the Further Extended Final Maturity Date, being 17 July 2021. 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 Second Extension.

Save as disclosed herein, the Facility Agreement shall remain in full force and effect notwithstanding the Second 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 current members of the advisory committee of the Trust.

Medical Recovery is owned as to 100% by the Trust and it was set up for employee incentive purposes. As at the date of this announcement, Medical Recovery directly holds approximately 1.48% 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 300,000,000 zero coupon convertible bonds due 2022 and Euro 320,000,000 zero coupon convertible bonds due 2025. Please see the Company's announcements dated 12 July 2017, 21 July 2017, 17 June 2020 and 29 June 2020 for details.

## **REASONS FOR AND BENEFITS OF AGREEING TO THE SECOND 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 Second Notice of Extension are on normal commercial terms after arm's length negotiations between the respective parties, and the terms of the Second 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 1.48% 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 Extension and the Second 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 Extension and the Second Extension in aggregate pursuant to Rule 14A.81 of the Listing Rules is more than 0.1% but less than 5%, the Second Notice of Extension and the transaction 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 Second Extension and the Second Notice of Extension, and none of the Directors other than Dr. LOU Jing, Ms. SU Dongmei and Mr. HUANG Bin has abstained from voting on the Board resolutions approving the Second Notice of Extension and the transaction contemplated thereunder.

## DEFINITIONS

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

“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
“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

“Extended Final Maturity Date”	17 July 2020, being the date to which Medical Recovery requested and Strategic International agreed to extend the Original Final Maturity Date
“Extension”	the extension of the Original Final Maturity Date to the Extended Final Maturity Date
“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
“Further Extended Final Maturity Date”	17 July 2021, being the date to which Medical Recovery requested and Strategic International agreed to extend the Original Final 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 PRC
“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 1.81% of the issued share capital of the Company as at the date of this announcement
“Notice of Extension”	the notice of extension issued by Medical Recovery, requesting that the Original Final Maturity Date be extended to the Extended Final Maturity Date
“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
“Second Extension”	the extension of the Original Final Maturity Date to the Further Extended Final Maturity Date

“Second Notice of Extension”	the notice of extension issued by Strategic International, requesting that the Original Final Maturity Date be extended to the Further Extended Final 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
“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 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\$7.7535 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  
17 July 2020

*As at the date of this announcement, the directors of the Company are 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, Mr. David Ross PARKINSON and Dr. WONG Lap Yan as independent non-executive directors.*