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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 (2) COMPLETION OF REDEMPTION OF CONVERTIBLE BONDS PURSUANT TO EXERCISE OF PUT OPTION BY BONDHOLDERS

FURTHER EXTENSION OF FACILITY AGREEMENT

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\$234,627,000) with an interest rate of 4% per annum; and (ii) the announcements of the Company dated 17 July 2019, 17 July 2020 and 18 July 2021 in relation to the extensions of the Facility Agreement (the “**Announcements**”).

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. Pursuant to the Previous Extensions, the Loan was extended from the Original Maturity Date to the Extended Maturity Date, being 17 July 2023.

On 17 July 2023, Medical Recovery issued a Further Notice of Extension, requesting that the maturity date of the Loan be further extended for three years to the Further Extended Maturity Date. Upon acknowledgment of the terms of the Further Notice of Extension, Strategic International agreed to the Further Extension.

Pursuant to the Further Notice of Extension, the maturity date of the Loan shall be further extended to the Further Extended Maturity Date, being 17 July 2026. 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 Further Extension.

Save as disclosed herein, the Facility Agreement shall remain in full force and effect notwithstanding the Further Extension. For details of the terms of the Facility Agreement and the Further 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 1.39% 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 refer to 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 FURTHER 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 Further 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 Further Notice of Extension are on normal commercial terms after arm's length negotiations between the respective parties, and the terms of the Further 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 1.39% 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 Previous Extensions and the Further 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 Previous Extensions and the Further Extension in aggregate pursuant to Rule 14A.81 of the Listing Rules is more than 0.1% but less than 5%, the Further 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 Further Extension and the Further 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 Further Notice of Extension and the transactions contemplated thereunder.

COMPLETION OF REDEMPTION OF CONVERTIBLE BONDS PURSUANT TO EXERCISE OF PUT OPTION BY BONDHOLDERS

References are made to (i) the announcement of the Company dated 29 June 2023 in relation to, among others, the redemption of Zero Coupon Convertible Bonds due 2025 (the "**Convertible Bonds**") pursuant to exercise of put option by the Bondholders (the "**CB Announcement**"); and (ii) the next day disclosure return of the Company dated 30 June 2023 in relation to redemption of certain Convertible Bonds pursuant to exercise of put option by the Bondholders.

The Board is pleased to confirm that the redemption of the Put Bonds (as defined in the CB Announcement) at the aggregate principal amount of €287,600,000 was completed and all payments had been made to the Bondholders on 29 June 2023 pursuant to the terms and conditions of the Convertible Bonds as disclosed in the CB Announcement. The redeemed Put Bonds (as defined in the CB Announcement) have been cancelled and the remaining outstanding Convertible Bonds amounted to €1,400,000.

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
“Extended Maturity Date”	17 July 2023
“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
“Further Extended Maturity Date”	17 July 2026
“Further Extension”	the extension of the Extended Maturity Date to the Further Extended Maturity Date
“Further Notice of Extension”	further notice of extension issued by Medical Recovery, requesting that the Extended Maturity Date be extended to the Further 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 1.39% of the issued share capital of the Company as at the date of this announcement
“Original 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
“Previous Extensions”	previous extensions of the Original Maturity Date, pursuant to which the Original Maturity Date had been extended to the 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
“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 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.

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

Shenyang, the PRC
17 July 2023

As at the date of this announcement, the Board comprises Dr. LOU Jing and Ms. SU Dongmei as executive Directors; Mr. HUANG Bin as non-executive Director; and Mr. PU Tianruo, Ms. YANG, Hoi Ti Heidi, Mr. NG, Joo Yeow Gerry and Dr. Zhang Dan as independent non-executive Directors.