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If you have sold or transferred all your shares in **3SBio Inc.**, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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三生制药
3SBIO INC.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1530)

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION AND CHANGE OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of 3SBio Inc. to be held at No. 3 A1, Road 10, Shenyang Economy and Technology Development Zone, Shenyang, People's Republic of China on June 20, 2019 at 10 a.m. is set out on pages 15 to 19 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.3sbio.com). Whether or not you are able to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting (or any adjournment thereof) if they so wish.

May 21, 2019

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	
Introduction	3
General Mandate to Issue Shares	4
Repurchase Mandate to Repurchase Shares	4
Re-election and Change of Directors	4
Notice of Annual General Meeting	5
Form of Proxy	6
Voting by Poll	6
Recommendation	6
APPENDIX I — DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION AND APPOINTMENT	7
APPENDIX II — EXPLANATORY STATEMENT	12
NOTICE OF ANNUAL GENERAL MEETING	15

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Annual General Meeting”	the annual general meeting of the Company to be held at No. 3 A1, Road 10, Shenyang Economy and Technology Development Zone, Shenyang, People’s Republic of China on June 20, 2019 at 10 a.m., or any adjournment thereof and notice of which is set out on pages 15 to 19 of this circular
“Articles of Association”	the articles of association of the Company adopted on May 23, 2015 and effective on June 11, 2015, and as amended from time to time
“Board”	the board of Directors
“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
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented or otherwise modified from time to time
“Controlling Shareholders”	refers to, collectively, Dr. LOU Jing, Mr. TAN Bo, Ms. SU Dongmei, Mr. HUANG Bin, and certain trusts established by some of them as settlors, and their respective controlled corporations, including Lambda International Limited, Century Sunshine Limited, Decade Sunshine Limited, Hero Grand Management Limited, Honor Success Holdings Limited, Triple Talent Enterprises Limited, Joint Palace Group Limited, Known Virtue International Limited, Universal Vintage Limited and Medical Recovery Limited who form a group of controlling shareholders (as defined in the Listing Rules)
“CS Sunshine”	CS Sunshine Investment Limited, a company incorporated in the British Virgin Islands and a substantial shareholder (as defined in the Listing Rules)
“Director(s)”	the director(s) of the Company
“General Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and/or deal with Shares not exceeding 20% of the number of issued Shares as at the date of passing of the relevant resolution granting the General Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Latest Practicable Date”	May 10, 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10% of the number of the issued Shares as at the date of passing of the relevant resolution granting the Repurchase Mandate
“Securities and Futures Ordinance”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time
“Share(s)”	ordinary share(s) of nominal value of US\$0.00001 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“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 People’s Republic of China and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong, as amended from time to time
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

LETTER FROM THE BOARD



三生制药
3SBIO INC.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1530)

Executive Directors:

Dr. LOU Jing (*Chairman*)
Mr. TAN Bo
Ms. SU Dongmei
Mr. HUANG Bin

Registered office (in the Cayman Islands):

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Non-executive Directors:

Mr. LIU Dong
Mr. WANG Steven Dasong

Head office:

No. 3 A1, Road 10
Shenyang Economy and Technology
Development Zone
Shenyang
People's Republic of China

Independent Non-executive Directors:

Mr. PU Tianruo
Mr. David Ross PARKINSON
Mr. MA Jun

Principal place of business in Hong Kong:

31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

May 21, 2019

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION AND CHANGE OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you notice of the Annual General Meeting and the following proposals to be put forward at the Annual General Meeting: (a) granting of the General Mandate to issue Shares; (b) granting of the Repurchase Mandate to repurchase Shares; and (c) the re-election and appointment of Directors.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE SHARES

In order to ensure flexibility and give discretion to the Directors, in the event that it becomes desirable for the Company to issue any new Shares, approval is to be sought from the Shareholders, pursuant to the Listing Rules, for the General Mandate to issue Shares. At the Annual General Meeting, an ordinary resolution numbered 4(A) will be proposed to grant the General Mandate to the Directors to exercise the powers of the Company to allot, issue and deal with the additional Shares not exceeding 20% of the number of issued Shares as at the date of passing of the resolution in relation to the General Mandate.

As at the Latest Practicable Date, 2,533,992,051 Shares had been fully paid. Subject to the passing of the ordinary resolution numbered 4(A) and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Company will be allowed to issue a maximum of 506,798,410 Shares.

In addition, subject to a separate approval of the ordinary resolution numbered 4(C), the number of Shares purchased by the Company under ordinary resolution numbered 4(B) will also be added to extend the General Mandate as mentioned in ordinary resolution numbered 4(A) provided that such additional number shall represent up to 10% of the number of issued Shares as at the date of passing the resolutions in relation to the General Mandate and Repurchase Mandate. The Directors wish to state that they have no immediate plans to exercise the General Mandate.

REPURCHASE MANDATE TO REPURCHASE SHARES

In addition, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares representing up to 10% of the number of issued Shares as at the date of passing of the resolution in relation to the Repurchase Mandate.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed Repurchase Mandate is set out in Appendix II to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

RE-ELECTION AND CHANGE OF DIRECTORS

Re-election of Directors

In accordance with article 84(1) of the Articles of Association, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) will retire from office by rotation and will be eligible for re-election and re-appointment at every annual general meeting, provided that every Director shall be subject to retirement by rotation at least once every three years. Accordingly, Dr. LOU Jing, Mr. TAN Bo and Mr. PU Tianruo, being eligible, have offered themselves for re-election as Directors at the Annual General Meeting. Details of the above retiring Directors who are subject to re-election at the Annual General Meeting are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules.

LETTER FROM THE BOARD

Change of Directors

Mr. MA Jun has tendered his resignation as an independent non-executive Director and a member of the audit committee and nomination committee of the Company and the chairman of the remuneration committee of the Company due to his business engagement/re-arrangement, with effect upon the conclusion of the Annual General Meeting.

Mr. MA has confirmed that he has no disagreement with the Board and there are no other matters in relation to his resignation that need to be brought to the attention of the Stock Exchange and the Shareholders.

Mr. HUANG Bin is to be re-designated from his position as an executive Director to a non-executive Director and is to be appointed as a member of the audit committee of the Company, while Mr. WANG Steven Dasong is to resign as a member of the audit committee of the Company, with effect upon the conclusion of the Annual General Meeting.

With the recommendation from the nomination committee of the Company, the Board proposes the appointment of Mr. WANG Rui as an independent non-executive Director and as a member of the audit committee and nomination committee of the Company and the chairman of the remuneration committee of the Company, subject to and with effect upon the approval by the Shareholders at the Annual General Meeting. The Board considers that the appointment of Mr. WANG Rui will facilitate the development and execution of the Group's business strategies and create value for the Shareholders. Details of Mr. WANG Rui are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules.

The Board, with the assistance and recommendation from the nomination committee of the Company, has reviewed the structure, size, composition and diversity of the Board from a number of aspects, and the professional experience, skills and expertise Mr. PU Tianruo and Mr. WANG Rui (if re-elected or appointed) as independent non-executive Directors can provide. The Board is of the view that the educational qualifications, background and experiences of Mr. PU Tianruo and Mr. WANG Rui (if re-elected or appointed) can create valuable and relevant visions and hence contribute to the diversity of the Board. The Board also considers that, Mr. PU Tianruo has made positive contributions to the Company's development, strategies and performance during his tenure as an independent non-executive Director with his independent advice and suggestions coupled with his general understanding of the business of the Group. The nomination committee of the Company had assessed and reviewed the independence of Mr. PU Tianruo and Mr. WANG Rui based on the independence criteria as set out in Rule 3.13 of the Listing Rules and confirmed that they satisfied the aforementioned independence criteria. In view of the above factors, the Board would recommend Mr. PU Tianruo to be re-elected as an independent non-executive Director and Mr. WANG Rui to be appointed as an independent non-executive Director at the Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

Set out on pages 15 to 19 of this circular is the notice of the Annual General Meeting at which, inter alia, ordinary resolutions will be proposed to Shareholders to consider and approve the granting of the General Mandate to issue Shares, the Repurchase Mandate to repurchase Shares and the re-election and appointment of Directors.

LETTER FROM THE BOARD

FORM OF PROXY

A form of proxy is enclosed for use at the Annual General Meeting. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.3sbio.com). Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the Annual General Meeting if they so wish and in such event the form of proxy shall be deemed to be revoked.

VOTING BY POLL

There is no Shareholder who has any material interest in the proposed resolutions regarding the General Mandate and Repurchase Mandate, therefore none of the Shareholders is required to abstain from voting on such resolutions.

Pursuant to Rule 13.39(4) of the Listing Rules and article 66(1) of the Articles of Association, any resolution put to the vote of the Shareholders at a general meeting shall be decided on a poll except where the chairman of the Annual General Meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the notice of the Annual General Meeting will be taken by way of poll.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorized representative, shall have one vote for every fully paid Share of which he/she is the holder. A Shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she uses in the same way.

RECOMMENDATION

The Directors consider that the proposed resolutions for the granting of the General Mandate to issue Shares, the Repurchase Mandate to repurchase Shares and the re-election and appointment of Directors are in the interests of the Group and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favor of all the resolutions to be proposed at the Annual General Meeting.

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

The following are the particulars of the Directors (as required by the Listing Rules) proposed to be re-elected and appointed at the Annual General Meeting.

As at the Latest Practicable Date, save as disclosed herein, none of the following Directors held (i) any other position with the Company or other members of the Group; (ii) any directorship in any other public companies with securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iii) any other major appointments and professional qualifications.

As at the Latest Practicable Date, save as disclosed herein, none of the following Directors had any relationship with any other Director, senior management or substantial or Controlling Shareholder of the Company, or any interest in Shares within the meaning of Part XV of the Securities and Futures Ordinance.

As at the Latest Practicable Date, save as disclosed herein, there was no other information relating to the following Directors which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules. There is no other matter which needs to be brought to the attention of the Shareholders in respect of the re-election and appointment of Directors.

Executive Directors

Dr. LOU Jing (婁競), aged 56, was appointed as a Director on September 5, 2006 and was re-designated as an executive Director on November 27, 2014. He was appointed as the chairman of the Board on April 1, 2012. Dr. LOU is also the chief executive officer and president of the Company. He is responsible for the strategic development and planning, overall operational management and major decision making of the Group. He is a co-founder of the Group and joined Shenyang Sunshine as a director of the research and development (“**R&D**”) in September 1995.

Dr. LOU also holds the following positions with other members of the Group:

- 1) director and chairman of the board of Collected Mind Limited (集思有限公司, “**Collected Mind**”);
- 2) director of Hongkong Sansheng Medical Limited (“**Hongkong Sansheng**”);
- 3) director of Excel Partner Holdings Limited (特隆控股有限公司, “**Excel Partner**”);
- 4) director of Ample Harvest Investments Limited (溢豐投資有限公司, “**Ample Harvest**”);
- 5) director, chief executive officer and president, and chairman of the board of Shenyang Sunshine;
- 6) director and general manager of Liaoning Sunshine Bio-Pharmaceutical Company Limited (遼寧三生醫藥有限公司);
- 7) director and chairman of the board of Taizhou Huan Sheng Investment Management Company Limited (泰州環晟投資管理有限公司, “**Taizhou Huan Sheng Investment**”);
- 8) executive director of Shenzhen Baishitong Technology Development Company Limited (深圳市百士通科技開發有限公司);

- 9) chairman of the board of Shenzhen Sciprogen Bio-pharmaceutical Co., Ltd. (“**Sciprogen**”);
- 10) chairman of the board of Guangdong Sciprogen Bio-pharmaceutical Technology Co., Ltd. (廣東賽保爾生物醫藥技術有限公司, “**Guangdong Sciprogen**”);
- 11) chairman of the board of Guangdong Sunshine Pharmaceutical Co., Ltd. (廣東三生製藥有限公司);
- 12) director of Gains Prestige Limited (澤威有限公司, “**Gains Prestige**”);
- 13) director of Strategic International Group Limited (“**Strategic International**”);
- 14) director and chairman of the board of Sunshine Guojian Pharmaceutical (Shanghai) Co., Ltd. (“**Sunshine Guojian**”);
- 15) director and chairman of the board of Shanghai Xingsheng Pharmaceutical Company Limited (“**Xing Sheng**”);
- 16) director of Thunderpure International Limited;
- 17) director of ThunderPharma International Limited;
- 18) director of Wellesley Hill Capital Limited; and
- 19) director of ThunderPharma International (HK) Limited.

Dr. LOU has been highly active in pharmaceutical research and has made substantial contribution to the Group’s R&D of pharmaceutical products. Dr. LOU was the leading scientist and principal investigator in the Group’s successful development of EPIAO and TPIAO. He co-invented a “preparation process for recombinant human thrombopoietin” and a “method for improving the stability of polypeptides in human bodies and its application” in 2000 and 2001, respectively. He has published in a number of academic journals on microbiology and medicinal biotechnology. His research has been recognized with various awards. In 2006, he was awarded the “First Prize of Shenyang Science and Technology Progress Award” (瀋陽市科學技術進步一等獎) for his research on recombinant human thrombopoietin. In 2007, he was awarded the “Third Prize of Liaoning Province Scientific and Technological Achievements” (遼寧省科技成果轉化三等獎) for his contribution to the industrialization of production of recombinant human thrombopoietin. In 2017, he was awarded “Liaoning Province Outstanding Entrepreneur” and “Friendship Award of Liaoning Province”. Dr. LOU obtained a Medical Doctor degree (M.D.) in clinical medicine from Shanghai Second Military Medical University in July 1985. He conducted post-doctoral research at the National Institutes of Health of the United States after obtaining a Ph.D. degree in molecular and cell biology from Fordham University in the United States in February 1994. He also obtained an Executive Master of Business Administration from China Europe International Business School (中歐國際工商學院) in September 2008.

Mr. TAN Bo (譚肇), aged 46, was appointed as a Director on May 29, 2013 and was re-designated as an executive Director on November 27, 2014. Mr. TAN is also the chief financial officer and the executive vice president of the Company. He is responsible for overseeing the financial activities and the daily operation of the business development of the Group. Mr. TAN joined Shenyang Sunshine as the chief financial officer and vice president in February 2009. He also served as a director of Hongkong Sansheng from November 2009 to November 2014.

Mr. TAN also holds the following positions with other members of the Group:

- 1) director of Collected Mind;
- 2) director of Excel Partner;
- 3) director of Ample Harvest;
- 4) director of Taizhou Huan Sheng Investment;
- 5) director of Sciprogen;
- 6) director of Guangdong Sciprogen;
- 7) director of Grand Path Holdings Limited;
- 8) director of Gains Prestige;
- 9) director of Strategic International;
- 10) director of Sunshine Guojian;
- 11) director of Xing Sheng; and
- 12) director of ThunderPharma International Limited.

Mr. TAN has extensive experience within the financial and pharmaceutical industries, and has worked in private equity, equity research and commercial sectors. Mr. TAN has served as an independent non-executive director of Globe Metals & Mining Limited (a company listed on the Australian Securities Exchange with security code GBE) since October 2013. Mr. TAN also served as an independent director and the chairman of the audit, compensation and nominating committees of Tianyin Pharmaceutical Co., Inc. (a company listed on the NYSE MKT LLC with symbol TPI) from June 2012 to January 2015. He served as executive director and a member of the investment committee of Bohai Industrial Investment Fund Management Company (渤海產業投資基金管理公司), a private equity fund in China, from April 2007 to September 2008. Before that, he served as a vice president in the equity research division of Lehman Brothers Asia Limited from March 2006 to March 2007. He worked as a senior analyst at Macquarie Securities Asia in Hong Kong from October 2004 to February 2006. Mr. TAN obtained a Bachelor's degree in Economics from Renmin University of China (中國人民大學) in July 1994, a Master's degree in Economics from the University of Connecticut in December 1996 and a Master of International Management from Thunderbird School of Global Management in August 1998.

As at the Latest Practicable Date, Dr. LOU had a service contract with the Company for a term of three years commencing from June 11, 2018 until June 10, 2021, which shall be automatically renewed for successive periods of three years (subject to retirement and re-election as and when required under the Articles of Association), until duly terminated. Under the terms of the service contract, Dr. LOU is entitled to a fixed director's fee payable per annum of US\$120,000. Such fee is determined by the Board with reference to market trends.

As at the Latest Practicable Date, Mr. TAN had a service contract with the Company for a term of three years commencing from June 11, 2018 until the date of the annual general meeting of the Company in the year 2021 (or, in case there is no annual general meeting in such year, until June 20, 2021) (subject to retirement and re-election as and when required under the Articles of Association). Under the terms of the service contract, Mr. TAN is entitled to a fixed director's fee payable per annum of US\$120,000. Such fee is determined by the Board with reference to market trends.

As at the Latest Practicable Date, (i) Dr. LOU was deemed to be interested in 647,973,040 (25.57%) Shares within the meaning of Part XV of the Securities and Futures Ordinance, of which 647,313,040 Shares were deemed interests held through certain unnamed trusts in which Dr. LOU is a beneficiary, and 660,000 share options were granted to a trust and held for the benefit of Dr. LOU pursuant to a share option scheme; and (ii) Mr. TAN was deemed to be interested in 117,645,920 (4.64%) Shares within the meaning of Part XV of the Securities and Futures Ordinance, of which 116,985,920 Shares were held through a controlled corporation and 660,000 share options were granted to a trust and held for the benefit of Mr. TAN pursuant to a share option scheme.

Independent non-executive Directors

Mr. PU Tianruo (濮天若), aged 51, was appointed as an independent non-executive Director on May 23, 2015, with such appointment taking effect on June 1, 2015. He is responsible for participating in decision-making and advising on issues relating to the Company's significant events and corporate governance. Previously, he served as an independent Director and the audit committee chairman of the Company from September 1, 2012 to May 29, 2013.

Mr. PU has substantial experience in accounting and finance. He has served as an independent non-executive director of several companies, including JMU Limited (a company listed on the NASDAQ with symbol JMU) since April 2015, Autohome Inc. (a company listed on the NYSE with symbol ATHM) since December 2016, and Renren Inc. (a company listed on the NYSE with symbol RENN) since December 2016. Mr. PU was previously the chief financial officer of Zhaopin Ltd. (a company listed on the NYSE with symbol ZPIN). Mr. PU obtained a Bachelor's degree in English from China Foreign Affairs University (外交學院) in July 1991, a Master's degree in Accounting from the University of Illinois, College of Business Administration in May 1996 and a Master of Business Administration degree from Northwestern University Kellogg School of Management in June 2000.

As at the Latest Practicable Date, Mr. PU had an appointment letter with the Company until and up to June 28, 2019, which is expected to be renewed for a further term of three years (subject to re-election and retirement as and when required by the Articles of Association). Under the terms of the appointment letter, Mr. PU is entitled to a director's fee of HK\$300,000 per annum as determined by the Board with reference to market trends.

Mr. WANG Rui (王瑞), aged 55, is proposed to be appointed as an independent non-executive Director at the Annual General Meeting. Upon the approval of the Shareholders at the Annual General Meeting, Mr. WANG shall become an independent non-executive Director, a member of the audit committee and nomination committee of the Company and the chairman of the remuneration committee of the Company, with effect from the conclusion of the Annual General Meeting. He is currently the vice president of Beijing Unimed Charitable Foundation (北京尤邁慈善基金會). Mr. WANG served as a director of Beijing Mianshi Investment Group Co., Ltd. (北京綿世投資集團股份有限公司) from 2012 to 2017 and the chairman of the board of Tianhua International Investment Service Co., Ltd. (天華國際投資服務有限公司) from 1993 to 2012. He was an employee in China National Building Materials & Equipment Import & Export Corporation (中建材集團進出口有限公司) from 1985 to 1988 and was responsible for legal review of international trade and investment business. Mr. WANG obtained a Bachelor of Laws degree (L.L.B.) from China University of Political Science and Law (中國政法大學) in 1985.

It is expected that Mr. WANG Rui will enter into an appointment letter with the Company for a term of three years commencing from the date of the Annual General Meeting (being June 20, 2019), subject to re-election and retirement as required by the Articles of Association, upon the approval of the Shareholders at the Annual General Meeting. Mr. WANG will be entitled to a director's fee of HK\$300,000 per annum as determined by the Board with reference to market trends.

The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the number of issued Shares was 2,533,992,051 Shares of nominal value of US\$0.00001 each which have been fully paid. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 253,399,205 Shares which represent 10% of the issued Shares during the period ending on the earlier of (i) the conclusion of the next annual general meeting of the Company following the Annual General Meeting; or (ii) the expiry of the period within which the next annual general meeting of the Company following the Annual General Meeting is required by any applicable laws or the Articles of Association to be held; or (iii) the passing of an ordinary resolution by Shareholders in general meeting of the Company revoking or varying such mandate.

REASONS FOR AND FUNDING OF REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Company to repurchase its Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the Company's net asset value and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

Repurchase of the Shares must be funded out of funds legally available for such purpose in accordance with the Articles of Association and the applicable laws of the Cayman Islands. The Directors may not repurchase the Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, the Directors may make repurchases with profits of the Company or out of a new issuance of shares made for the purpose of the repurchase or, if authorized by the Articles of Association and subject to the Companies Law, out of capital and, in the case of any premium payable on the repurchase, out of profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorized by the Articles of Association and subject to the Companies Law, out of capital.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors believe that if the Repurchase Mandate is exercised in full, it may have a material adverse impact on the working capital or gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at December 31, 2018, being the date to which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

GENERAL

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, their respective close associates (as defined in the Listing Rules), have any present intention if the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws of the Cayman Islands.

No core connected person (as defined in the Listing Rules) has notified the Company that he or she has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors: (a) the Controlling Shareholders were deemed to be interested in 866,775,420 Shares, representing approximately 34.21% in the aggregate number of issued Shares; and (b) CS Sunshine was interested in 472,212,360 Shares, representing approximately 18.64% in the aggregate number of issued Shares. In the event that the Directors should exercise the Repurchase Mandate in full, the shareholdings of the Controlling Shareholders and CS Sunshine in the Company will increase to approximately 38.01% and 20.71%, respectively of the issued Shares. To the best knowledge and belief of the Directors, such increase will give rise to an obligation to make a mandatory offer under the Takeovers Code on the part of both the Controlling Shareholders and CS Sunshine. The Directors have no present intention to repurchase the Shares to the extent that it will trigger any obligation under the Takeovers Code for the Controlling Shareholders and/or the CS Sunshine to make a mandatory offer. The Directors are not aware of any other consequences that may arise under the Takeovers Code as a result of any share repurchase made by the Company of its Shares. The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the total number of issued shares of the Company would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

SHARE REPURCHASE MADE BY THE COMPANY

Details of Shares repurchases made by the Company on the Stock Exchange in the six months prior to the Latest Practicable Date are set out as follows:

Date of repurchases	Number of Shares purchased on the Stock Exchange	Price paid per Share		Aggregate consideration paid (HK\$)
		Highest	Lowest	
19 December 2018	3,361,500	HK\$9.90	HK\$9.67	32,922,221.67
20 December 2018	1,029,000	HK\$9.81	HK\$9.58	10,119,961.49
21 December 2018	22,500	HK\$9.50	HK\$9.47	214,579.67
28 December 2018	317,000	HK\$9.50	HK\$9.42	3,016,291.68
3 January 2019	5,000,000	HK\$9.20	HK\$8.89	45,348,633.90
Total	9,730,000			91,621,688.41

Save as disclosed above, no repurchase of Shares have been made by the Company in the six months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months were as follows:

Month	Highest prices	Lowest prices
	HK\$	HK\$
2018		
May	23.25	16.90
June	22.75	16.42
July	18.80	15.44
August	17.72	12.86
September	15.48	12.30
October	13.70	10.54
November	13.70	11.26
December	12.14	9.06
2019		
January	13.20	8.21
February	13.68	11.22
March	15.48	12.66
April	16.42	14.20
May (up to the Latest Practicable Date)	14.68	13.32

NOTICE OF ANNUAL GENERAL MEETING



三生制药
3SBIO INC.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1530)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (“**Annual General Meeting**”) of 3SBio Inc. (the “**Company**”) will be held at No. 3 A1, Road 10, Shenyang Economy and Technology Development Zone, Shenyang, People’s Republic of China on June 20, 2019 at 10 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements of the Company for the year ended December 31, 2018 and the reports of the directors and auditors thereon.
2. (A) To re-elect Dr. LOU Jing as an executive director of the Company (the “**Director**”);
(B) To re-elect Mr. TAN Bo as an executive Director;
(C) To re-elect Mr. PU Tianruo as an independent non-executive Director;
(D) To appoint Mr. WANG Rui as an independent non-executive Director; and
(E) To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
3. To re-appoint Ernst & Young as auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Board to fix their remuneration for the year ending December 31, 2019.
4. To consider and, if thought fit, pass with or without modification the following resolutions as ordinary resolutions:
 - (A) “**That:**
 - (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as defined hereinafter) of all the powers of the Company to allot, issue and/ or otherwise deal with additional shares of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company and to make or grant offers, agreements and/ or options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period (as defined hereinafter) to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors during the Relevant Period (as defined hereinafter) pursuant to paragraph (i) above otherwise than pursuant to:

- (1) any Rights Issue (as defined hereinafter);
- (2) the grant or exercise of any option under any share option scheme of the Company (if applicable) or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the Directors, officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for Shares or rights to acquire Shares;
- (3) any scrip dividend or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company; or
- (4) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into Shares, shall not exceed the aggregate of:
 - (a) 20% of the number of issued shares of the Company as at the date of passing this resolution; and
 - (b) (if the Board is so authorised by resolution numbered 4(C)) the aggregate number of shares of the Company repurchased by the Company subsequent to the passing of resolution numbered 4(B) (up to a maximum equivalent to 10% of the number of issued shares of the Company as at the date of passing resolution numbered 4(B)),

and the approval shall be limited accordingly; and

- (iv) for the purpose of this resolution:
 - (a) “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (1) the conclusion of the next annual general meeting of the Company;
 - (2) the expiry of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; or

NOTICE OF ANNUAL GENERAL MEETING

- (3) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution; and
 - (b) “Rights Issue” means an offer of shares of the Company or an issue of warrants, options or other securities giving rights to subscribe for shares of the Company, open for a period fixed by the Directors to holders of shares of the Company on the register of members on a fixed record date in proportion to their then holdings of such shares of the Company (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”
- (B) “That:
 - (i) subject to paragraph (ii) of this resolution, the exercise by the Directors during the Relevant Period (as defined hereinafter) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and which is recognised for this purpose by the Securities and Futures Commission and the Stock Exchange under the Code on Share Buy-backs and, subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), be and is hereby generally and unconditionally approved;
 - (ii) the aggregate number of the shares to be repurchased pursuant to the approval in paragraph (i) of this resolution shall not exceed 10% of the number of issued shares of the Company as at the date of passing of this resolution, and the said approval shall be limited accordingly;
 - (iii) subject to the passing of each of the paragraphs (i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
 - (iv) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

 - (a) the conclusion of the next annual general meeting of the Company;
 - (b) the expiry of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; or

NOTICE OF ANNUAL GENERAL MEETING

- (c) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”
- (C) “**That** conditional upon the resolutions numbered 4(A) and 4(B) set out in this notice being passed, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and/or otherwise deal with new shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to the resolution numbered 4(A) set out in this notice be and is hereby extended by the addition to the number of the issued shares of the Company which may be allotted or agreed conditional or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the number of the issued shares of the Company repurchased by the Company under the authority granted pursuant to resolution numbered 4(B) set out in this notice, provided that such amount shall represent up to 10% of the number of issued shares of the Company as at the date of passing of the said resolutions.”

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

Shenyang, the PRC
May 21, 2019

Registered office (in the Cayman Islands):
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Principal place of business in Hong Kong:
31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

Head office:
No. 3 A1, Road 10
Shenyang Economy and Technology
Development Zone
Shenyang
People's Republic of China

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (i) A shareholder entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. The proxy does not need to be a shareholder of the Company.
- (ii) Where there are joint registered holders of any shares, any one of such persons may vote at the above meeting (or at any adjournment of it), either personally or by proxy, in respect of such shares as if he/she were solely entitled thereto but the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (iii) In order to be valid, the completed form of proxy, must be deposited at the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority (such certification to be made by either a notary public or a solicitor qualified to practice in Hong Kong), at least 48 hours before the time appointed for holding the above meeting or any adjournment thereof (as the case may be). The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.
- (iv) The register of members of the Company will be closed from June 17, 2019 to June 20, 2019, both days inclusive, in order to determine the eligibility of shareholders to attend the above meeting, during which period no share transfers will be registered. To be eligible to attend the above meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on June 14, 2019.
- (v) In respect of resolutions numbered 2(A) to 2(D) above, Dr. LOU Jing, Mr. TAN Bo and Mr. PU Tianruo shall retire and being eligible, offered themselves for re-election at the above meeting. Details of the above retiring Directors who are subject to re-election at the Annual General Meeting and details of Mr. WANG Rui who is recommended to be appointed at the Annual General Meeting are set out in Appendix I to the circular dated May 21, 2019.
- (vi) In respect of the resolution numbered 4(A) above, the Directors wish to state that they have no immediate plans to issue any new shares of the Company referred therein. Approval is being sought from the shareholders of the Company as a general mandate for the purposes of the Listing Rules.
- (vii) In respect of resolution numbered 4(B) above, the Directors wish to state that they will only exercise the powers conferred by the general mandate to repurchase shares of the Company in circumstances where they consider that the repurchase would be in the best interests of the Company. The explanatory statement containing the information necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares, as required by the Listing Rules, is set out in Appendix II to the circular dated May 21, 2019.
- (viii) Resolution numbered 4(C) will be proposed to the shareholders for approval provided that resolutions numbered 4(A) and 4(B) are passed by the shareholders of the Company.
- (ix) Pursuant to Rule 13.39(4) of the Listing Rules and article 66(1) of the articles of association of Company, voting for all the resolutions set out in this notice will be taken by poll at the above meeting.