

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or solicitation of an offer to acquire, purchase or subscribe for securities or an invitation to enter into an agreement to do any such things, nor is it calculated to invite any offer to acquire, purchase or subscribe for any securities.

This announcement is not for distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia). This announcement and the information herein do not constitute or form a part of any offer or solicitation to purchase, subscribe or sell securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any state of the United States or other jurisdiction. The securities are being offered and sold outside the United States in reliance on Regulation S under the Securities Act (the “**Regulation S**”) and may not be offered or sold within the United States absent registration or an applicable exemption from registration under the Securities Act. No public offering of the securities will be made in the United States or in any other jurisdiction where such an offering is restricted or prohibited. No money, securities or other consideration is being solicited by this announcement or the information contained herein and, if sent in response to this announcement or the information contained herein, will not be accepted.



三生制药
3SBIO INC.

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1530)

(Convertible Bonds Code: 5241)

**(1) PROPOSED REPURCHASE OF
ZERO COUPON CONVERTIBLE BONDS DUE 2022;**

AND

**(2) PROPOSED ISSUE OF
NEW ZERO COUPON CONVERTIBLE BONDS**

Joint Global Coordinators, Joint Managers, Joint Bookrunners and Joint Dealer Managers

Deutsche Bank 

J.P.Morgan

(in alphabetical order)

INTRODUCTION

Reference is made to the announcements of the Company dated 12 July 2017, 13 July 2017 and 21 July 2017 in relation to the Existing Convertible Bonds, which are convertible into fully paid Shares at an initial conversion price of HK\$14.28 per Share subject to adjustment in certain circumstances. The Existing Convertible Bonds are listed on the Hong Kong Stock Exchange under convertible bonds code 5241 (ISIN: XS1648220520).

Reference is also made to the voluntary announcement of the Company dated 20 April 2020 in relation to the One-time Repurchase.

As at the date of this announcement, there are outstanding Existing Convertible Bonds in the principal amount of €295,000,000. Assuming full conversion of the outstanding Existing Convertible Bonds at the conversion price of HK\$14.28 per Share, the outstanding Existing Convertible Bonds will be convertible into approximately 185,224,054 Shares.

THE PROPOSED REPURCHASE OF EXISTING CONVERTIBLE BONDS

Pursuant to the terms and conditions of the Existing Convertible Bonds, the Issuer or the Company, as the guarantor, may, subject to applicable laws and regulations, at any time and from time to time purchase the Existing Convertible Bonds at any price in the open market or otherwise.

The Issuer proposes to carry out a repurchase of up to the aggregate principal amount outstanding of the Existing Convertible Bonds. On 17 June 2020, the Issuer, the Company and the Joint Dealer Managers entered into the Dealer Manager Agreement, under which the Issuer and the Company have appointed the Joint Dealer Managers to, amongst others, assist with the identification and contacting of the holders of the Existing Convertible Bonds and solicit offer to sell the Existing Convertible Bonds from such holders.

The Concurrent Repurchase will be conducted concurrently with the Proposed New Bonds Issue, and will close on or about the issue date of the New Bonds.

Completion of the Concurrent Repurchase is subject to, among others, completion of the Proposed New Bonds Issue and the conditions precedent set forth in the Dealer Manager Agreement, market conditions and investors' demand. Investors and Shareholders are urged to exercise caution when dealing in the securities of the Company.

Following the settlement of the Concurrent Repurchase, the Existing Convertible Bonds repurchased will be cancelled.

The Concurrent Repurchase will not be conducted within or offered to the United States or to persons located or resident in the United States, or to person acting on behalf of a beneficial owner of the Existing Convertible Bonds located or resident in the United States or acting for the account or benefit of any person located or resident in the United States.

The repurchase price under the Concurrent Repurchase will be €107,738.32 per €100,000 principal amount of the Existing Convertible Bonds (i.e. 107.74%).

If, at any time, less than €30,000,000 principal amount of the Existing Convertible Bonds (i.e. 10% of the principal amount of the Existing Convertible Bonds originally issued) remain outstanding, pursuant to the terms and conditions of the Existing Convertible Bonds, the Issuer has the right to redeem all and not some only of the Existing Convertible Bonds upon notice.

THE PROPOSED NEW BONDS ISSUE

Concurrent with the Concurrent Repurchase, the Issuer proposes to issue the New Bonds to institutional investors.

Deutsche Bank AG, Hong Kong Branch and J.P. Morgan Securities plc have been appointed as the Joint Global Coordinators, Joint Bookrunners and Joint Managers in respect of the Proposed New Bonds Issue.

Terms of the Proposed New Bonds Issue, including the size of the Proposed New Bonds Issue and other terms will be determined through a book-building exercise to be conducted. Upon finalisation of the terms of the Proposed New Bonds Issue, the Company, the Issuer and the Joint Managers will enter into a subscription agreement for the Proposed New Bonds Issue.

The New Bonds will not be offered to the public in Hong Kong and it is not expected that any of the New Bonds will be placed to any connected person (as defined under the Hong Kong Listing Rules) of the Company.

The New Bonds have not been and will not be registered under the U.S. Securities Act. The New Bonds will only be offered outside of the United States in compliance with Regulation S under the U.S. Securities Act.

PROPOSED USE OF PROCEEDS

The Proposed New Bonds Issue is subject to market conditions and investors' interest. If the Issuer proceeds with the Proposed New Bonds Issue, the Issuer intends to use the net proceeds from the Proposed New Bonds Issue for the payments needed for the Concurrent Repurchase and/or the redemption of the Existing Convertible Bonds upon exercise of the put option by the holders of the Existing Convertible Bonds, research and development, purchase of operation facilities and other general corporate purposes.

APPROVAL PURSUANT TO RULE 10.06(3) OF THE HONG KONG LISTING RULES

Rule 10.06(3) of the Hong Kong Listing Rules provides that an issuer whose primary listing is on the Hong Kong Stock Exchange may not make a new issue of shares or announce a proposed new issue of shares for a period of 30 days after any purchase by it of shares, whether on the Hong Kong Stock Exchange or otherwise, without the prior approval of the Hong Kong Stock Exchange and shares for such purpose include shares of all classes and securities which carry a right to subscribe or purchase shares, of the issuer. The Company has therefore applied for and has received approval from the Hong Kong Stock Exchange pursuant to Rule 10.06(3) of the Hong Kong Listing Rules for the Proposed New Bonds Issue to be undertaken concurrently with the Concurrent Repurchase.

GENERAL INFORMATION

The Company is a leading biotechnology company in the PRC. As a pioneer in the Chinese biotechnology industry, the Group has extensive expertise in researching and developing, manufacturing and marketing biopharmaceuticals.

As completion of the Concurrent Repurchase is subject to, among other things, completion of the Proposed New Bonds Issue and the conditions precedent set forth in the Dealer Manager Agreement, market conditions and investors' demand and no binding agreement in respect of the Proposed New Bonds Issue has been entered into as at the date of this announcement, the Concurrent Repurchase and the Proposed New Bonds Issue may or may not materialise. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

Further announcement(s) will be made by the Company in respect of the Concurrent Repurchase and/or the Proposed New Bonds Issue as and when appropriate in accordance with the Hong Kong Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Board”	the board of Directors
“Company”	3SBio Inc. 三生制药, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“Concurrent Repurchase”	the proposed repurchase of up to the aggregate principal amount outstanding of the Existing Convertible Bonds by the Issuer

“Dealer Manager Agreement”	the dealer manager agreement dated 17 June 2020 entered into among the Issuer, the Company and the Joint Dealer Managers in relation to the appointment of Deutsche Bank AG, Hong Kong Branch and J.P. Morgan Securities plc in connection with the Concurrent Repurchase
“Director(s)”	the director(s) of the Company
“Euro” or “€”	Euro, the lawful currency of the member states of the Eurozone
“Existing Convertible Bonds”	the €300,000,000 zero coupon unsecured convertible bonds due 2022 issued by the Issuer and guaranteed by the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Issuer”	Strategic International Group Limited, a business company incorporated with limited liability in the British Virgin Islands and a direct wholly-owned subsidiary of the Company
“Joint Dealer Managers”	Deutsche Bank AG, Hong Kong Branch and J.P. Morgan Securities plc
“Joint Global Coordinators”	Deutsche Bank AG, Hong Kong Branch and J.P. Morgan Securities plc
“Joint Managers”	Deutsche Bank AG, Hong Kong Branch and J.P. Morgan Securities plc
“New Bonds”	zero coupon unsecured convertible bonds which are proposed to be issued by the Issuer and guaranteed by the Company
“One-time Repurchase”	the Company’s repurchase of an aggregate principal amount of €5,000,000 in face value of the Existing Convertible Bonds on 16 April 2020 through over-the-counter market
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan

“Proposed New Bonds Issue”	the proposed issue of the New Bonds
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.00001 each
“United States”	the United States of America, its territories, possessions and all areas subject to its jurisdiction
“US\$”	US dollar(s), the lawful currency of the United States

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

Shenyang, the PRC, 17 June 2020

As at the date of this announcement, the Board comprises Mr. 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 Mr. WONG Lap Yan as independent non-executive Directors.