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三生制药
3SBIO INC.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1530)

DISCLOSEABLE TRANSACTION SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS

SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS

The Board announced that for treasury management purposes, members of the Group (including, among others, Sunshine Guojian, Shenyang Sunshine and Shanghai Shengguo) had subscribed for the BOC Wealth Management Products and the CITIC Wealth Management Products offered by BOC, CITIC and their respective subsidiaries from time to time at the expected return rates ranging from 1.3% to 4.25% during the period from 1 January 2022 to 1 September 2022.

LISTING RULES IMPLICATIONS

As all the BOC Wealth Management Products subscribed from BOC are of similar nature, and all the CITIC Wealth Management Products subscribed from CITIC are also of similar nature, for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules, the corresponding principal amounts of each of the subscriptions of the BOC Wealth Management Products and each of the subscriptions of the CITIC Wealth Management Products, all completed within a 12-month period, are aggregated as if they were one transaction with BOC and one transaction with CITIC, respectively. As the highest applicable percentage ratio, on an aggregate basis, in respect of the subscriptions of each of the BOC Wealth Management Products and the CITIC Wealth Management Products at the relevant period exceed 5% but are less than 25%, respectively, the subscriptions of each of the BOC Wealth Management Products and the CITIC Wealth Management Products constitute a discloseable transaction of the Company for the purpose of the Listing Rules and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The relevant reporting and announcement obligations under Chapter 14 of the Listing Rules in respect of subscriptions of each of the BOC Wealth Management Products and the CITIC Wealth Management Products arose on 13 June 2022 and 26 April 2022, respectively. The reporting and announcement were inadvertently not made on a timely manner due to the misunderstanding of the relevant personnel of the Group that the subscriptions of the BOC Wealth Management Products and the CITIC Wealth Management Products do not constitute notifiable transactions under the Listing Rules, as they were done in the normal course of business operations of the Group for its treasury management purposes. To facilitate and ensure compliance, the Company will complete various enhanced governance measures as soon as practicable and in any event by the end of year.

FURTHER SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

The Board further announced that for treasury management purposes, Shanghai Shengguo had further subscribed for the CITIC Wealth Management Product offered by CITIC's subsidiary at the expected return rate ranging from 3.3% to 3.9% on 20 September 2022.

LISTING RULES IMPLICATIONS ON FURTHER SUBSCRIPTION

As the CITIC Wealth Management Product subscribed from CITIC's subsidiary on 20 September 2022 is also of similar nature as the other CITIC Wealth Management Products previously subscribed by the Group, for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules, the corresponding principal amounts of all the subscriptions of the CITIC Wealth Management Products completed within a 12-month period are aggregated as if they were one transaction with CITIC. As the highest applicable percentage ratio, on an aggregate basis, in respect of all the subscriptions of the CITIC Wealth Management Products at the relevant period exceed 5% but are less than 25%, respectively, the further subscription of the CITIC Wealth Management Product on 20 September 2022 constitutes a discloseable transaction of the Company for the purpose of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS

The Board announced that for treasury management purposes, members of the Group (including, among others, Sunshine Guojian, Shenyang Sunshine and Shanghai Shengguo) had subscribed for the BOC Wealth Management Products and the CITIC Wealth Management Products offered by BOC, CITIC and their respective subsidiaries from time to time at the expected return rates ranging from 1.3% to 4.25%. The key terms of the subscriptions of both the BOC Wealth Management Products and CITIC Wealth Management Products during the period from 1 January 2022 to 1 September 2022 and on 20 September 2022 are set out as follows.

(1) BOC Wealth Management Products

Product Name	Subscription date and (if different) interest accrual commencement date	(Expected) Redemption date	Principal amount of subscriptions (in thousand)	Term of product, type of product and risk rating	Linked Indicator/ Scope of Investment	Expected return rate
Linked Structured Deposits (Institutional Clients)	Seven subscriptions during the period from 27 January 2022 to 30 May 2022	Seven redemptions during the period from 31 March 2022 to 30 August 2022	RMB455,000	Fixed term of 28 to 94 days Principal guaranteed with floating return Low risk	Spot exchange rate of U.S. dollars on one hand and Euro, Great Britain Pound Sterling, Canadian dollars or New Zealand dollars on the other hand	1.3%–3.4176%
BOC Wealth Management — Minimum Holding Period Fixed Income Wealth Management Product BOC Wealth Management — Minimum Holding Period Pure Bond Wealth Management Product BOC Wealth Management — Stable Wealth Fixed Income Enhancement	12 subscriptions during the period from 26 January 2022 to 30 August 2022	4 redemptions during the period from 29 March 2022 to 16 November 2022 and 8 subscriptions remain outstanding	RMB590,000	No fixed term, with a minimum term ranging from 14 days to 6 months Non-principal guaranteed with floating return Moderately low risk	Various combinations of debt, equity, fixed income, derivative financial instruments	2.83%–4.1%
BOC Wealth Management — XinXiang TianTian	Three subscriptions during the period from 7 July 2022 to 12 August 2022	One redemption on 14 November 2022 and two subscriptions remain outstanding	RMB100,000	No fixed term, with no minimum term Non-principal guaranteed with floating return Moderately low risk	Fixed income assets, equity and debt	2.0%–3.0%

(2) CITIC Bank Wealth Management Products

Product	Subscription date and (if different) interest accrual commencement date	(Expected) Redemption date	Principal amount of subscriptions (in thousand)	Term of product, type of product and risk rating	Linked Indicator/ Scope of Investment	Expected return rate
Win-Win Wisdom Credit Exchange Rate Linked RMB Structured Deposits Product	11 subscriptions during the period from 1 January 2022 to 2 September 2022	11 redemptions during the period from 15 January 2022 to 2 December 2022	RMB1,060,000	Fixed term of 14 to 90 days Principal guaranteed with floating return Low risk	Various combinations of spot exchange rate of Euro to U.S. dollars, Euro to Great Britain Pound Sterling; Australian dollar to New Zealand dollars	1.6%–3.45%
CITIC Wealth Management An Ying Xiang Fixed Income Stable Seven Days Holding Period	15 subscriptions during the period from 25 January 2022 to 2 September 2022	Eight redemptions during the period from 1 March 2022 to 9 August 2022 and seven subscriptions remain outstanding	RMB1,388,000 for 15 subscriptions during the period from 25 January 2022 to 2 September 2022	No fixed term, with no minimum term to 6 months minimum term Non-principal guaranteed with floating return	Different compositions of debt assets, commodities and financial derivatives	2.5%–4.25%
CITIC Wealth Management Tong Ying Xiang Fixed Income Stable Monthly Open Wealth Management Product	One further subscription on 20 September 2022	Further subscription on 20 September 2022 remains outstanding	RMB150,000 for the further subscription on 20 September 2022	Moderately low risk		
CITIC Wealth Management Gu Ying Xing Fixed Income Stable Three-Month Holding Period No.1 Wealth Management Product						

As at the date of this announcement, the aggregated outstanding principal amounts of the BOC Wealth Management Products and CITIC Wealth Management Products are approximately RMB340.0 million and RMB629.1 million, respectively.

BASIS OF DETERMINATION FOR THE CONSIDERATION

The Directors confirmed that the subscription amounts and terms of the BOC Wealth Management Products and CITIC Wealth Management Products were determined on the commercial terms and on an arm's length basis between the Group and each of BOC and CITIC (as the case may be), having taken into account (i) the surplus cash reserve resources of the Group available for the purpose of cash and treasury management; (ii) the risk level, the expected investment return and the terms of the Wealth Management Products; (iii) the expected rates of return of time deposits and similar wealth management and structured deposit products offered by other comparable banks then available in the market; and (iv) the level of subscription of the Wealth Management Products by investors other than the Group.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS OF THE WEALTH MANAGEMENT PRODUCTS

The subscriptions of the Wealth Management Products were made for treasury management purpose to maximise return on surplus cash reserves the Group received from its business operations as set forth in the annual report of the Group for the year ended 31 December 2021 published on 29 April 2022.

The Directors (including independent non-executive Directors) are of the view that (i) from a cash management perspective, the subscriptions of the Wealth Management Products provide the Group with better return than fixed deposits generally offered by commercial banks in the PRC; (ii) the subscriptions of the Wealth Management Products were funded by the Group's surplus cash reserves of the Group received from its business operations, and the Group has implemented adequate and appropriate internal control procedures to ensure the subscriptions of the Wealth Management Products would not affect the Group's working capital position nor its principal business development and would not adversely affect the interests of the Company and the Shareholders as a whole; and (iii) appropriate wealth management with low to moderately low risk exposure is conducive to enhancing the utilisation of capital and increasing income from idle funds of the Group at base interest rates similar to fixed income securities investments available in the market. Accordingly, the Directors (including independent non-executive Directors) consider that the terms of each of the Wealth Management Products are fair and reasonable and are on normal commercial terms, and each of the subscriptions of the Wealth Management Products is in the interests of the Company and the Shareholders as a whole.

INFORMATION ABOUT THE GROUP AND THE PARTIES

The Group

The Company is an investment holding company. The principal business activities of the Group are development, manufacture and marketing of biopharmaceuticals in mainland China, Hong Kong, Taiwan and Macau.

BOC

BOC is a licensed bank in the PRC and a joint stock company established in the PRC with limited liability. BOC and its subsidiaries are principally engaged in commercial banking, which primarily consists of corporate banking, personal banking and treasury operations. BOC and its subsidiaries also conduct investment banking and insurance activities. BOC is listed on the Stock Exchange (Stock Code: 3988) and the Shanghai Stock Exchange (Stock Code: 601988).

CITIC

CITIC is a licensed bank in the PRC and a joint stock company established in the PRC with limited liability. CITIC provides a full range of financial products and services to its customers nationwide, with corporate banking, private banking and financial market operations as its principal businesses. CITIC is listed on the Stock Exchange (Stock Code: 998) and the Shanghai Stock Exchange (Stock Code: 601998).

As of the date of this announcement and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of (i) BOC, (ii) CITIC, (iii) the ultimate beneficial owners of their respective largest shareholder(s) and (iv) the respective relevant subsidiaries of BOC and CITIC which offered the BOC Wealth Management Products and the CITIC Wealth Management Products are Independent Third Parties.

LISTING RULES IMPLICATIONS

Subscription of Wealth Management Products

As all the BOC Wealth Management Products subscribed from BOC during the period from 1 January 2022 to 1 September 2022 are of similar nature, and all the CITIC Wealth Management Products subscribed from CITIC during the same period are also of similar nature, for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules, the corresponding principal amounts of each of the subscriptions of the BOC Wealth Management Products and each of the subscriptions of the CITIC Wealth Management Products, all completed within a 12-month period, are aggregated as if they were one transaction with BOC and one transaction with CITIC, respectively. As the highest applicable percentage ratio, on an aggregate basis, in respect of the subscriptions of each of the BOC Wealth Management Products and the CITIC Wealth Management Products at the relevant period exceed 5% but are less than 25%, respectively, the subscriptions of each of the BOC Wealth Management Products and the CITIC Wealth Management Products during the relevant period constitute a discloseable transaction of the Company for the purpose of the Listing Rules and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The relevant reporting and announcement obligations under Chapter 14 of the Listing Rules in respect of subscriptions of each of the BOC Wealth Management Products and the CITIC Wealth Management Products arose on 13 June 2022 and 26 April 2022, respectively. The reporting and announcement were inadvertently not made on a timely manner due to the misunderstanding of the relevant personnel of the Group that the subscriptions of the BOC Wealth Management Products and the CITIC Wealth Management Products during the relevant period do not constitute notifiable transactions under the Listing Rules, as they were done in the normal course of business operations of the Group for its treasury management purposes.

Further Subscription of Wealth Management Product

As the CITIC Wealth Management Product subscribed from CITIC's subsidiary on 20 September 2022 is also of similar nature as the other CITIC Wealth Management Products previously subscribed by the Group, for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules, the corresponding principal amounts of all the subscriptions of the CITIC Wealth Management Products completed within a 12-month period are aggregated as if they were one transaction with CITIC. As the highest applicable percentage ratio, on an aggregate basis, in respect of all the subscriptions of the CITIC Wealth Management Products at the relevant period exceed 5% but are less than 25%, respectively, the further subscription of the CITIC Wealth Management Product on 20 September 2022 constitutes a discloseable transaction of the Company for the purpose of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

ENHANCED GOVERNANCE MEASURES

To facilitate and ensure compliance, the Company will complete the following enhanced governance measures as soon as practicable and in any event by the end of year:

- (a) introducing a policy manual in respect of Listing Rules application, size test ratios and calculations for wealth management products;
- (b) formulating a guideline (the “**Guideline**”) pursuant to which relevant personnel responsible for assessments and subscriptions of wealth management products shall provide such relevant information in advance to a designated senior officer in the finance department of the Company for evaluation and approval so as to ensure compliance with the relevant Listing Rules applicable to subscriptions of wealth management products;
- (c) having its internal audit department perform regular checks on compliance with the Guideline;
- (d) providing specific training to its senior management and relevant personnel on the application of Listing Rules requirements for notifiable transactions and more particularly for the subscriptions of wealth management products;
- (e) communicating the above to its subsidiaries within the Group to facilitate and ensure compliance; and
- (f) continuing to maintain close communications with its legal advisers and the Stock Exchange.

DEFINITIONS

Unless the context otherwise requires, the terms used in this announcement shall have the following meanings:

“Board”	the board of Directors;
“BOC”	Bank of China Limited, a joint stock limited liability company established under the laws of the PRC, and the H shares of which are listed on the Stock Exchange and the A shares of which are listed on the Shanghai Stock Exchange;
“BOC Wealth Management Products”	the wealth management products offered by BOC and/or its relevant subsidiaries and subscribed by the Group, the details of which are set out in this announcement;
“CITIC”	China CITIC Bank Corporation Limited, a joint stock limited company established under the laws of the PRC, and the H shares of which are listed on the Stock Exchange and the A shares of which are listed on the Shanghai Stock Exchange;
“CITIC Wealth Management Products”	the wealth management products offered by CITIC Bank and/or its subsidiaries and subscribed by the Group, the details of which are set out in this announcement;
“Company”	3SBio Inc., an exempted company incorporated in Cayman Islands with limited liability under the laws of the Cayman Islands, the ordinary shares of which are listed on the Stock Exchange (Stock Code: 1530);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	the independent third party who is, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, independent of and not connected with the Company and the connected person(s) of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

“PRC”	the People’s Republic of China which, for the purpose of this announcement, does not include Hong Kong, Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shanghai Shengguo”	Shanghai Shengguo Pharmaceutical Development Co., Ltd. (上海晟國醫藥發展有限公司), an indirect subsidiary of the Company;
“Share(s)”	ordinary share(s) in the capital of the Company with a par value of US\$0.00001 each;
“Shareholder(s)”	holder(s) of Shares;
“Shenyang Sunshine”	Shenyang Sunshine Pharmaceutical Co., Ltd. (瀋陽三生製藥有限責任公司), an indirect wholly-owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Sunshine Guojian”	Sunshine Guojian Pharmaceutical (Shanghai) Co., Ltd. (三生國健藥業(上海)股份有限公司), a subsidiary of the Company whose shares are listed on the STAR board of the Shanghai Stock Exchange (Stock Code: SH688336);
“Wealth Management Products”	collectively, the BOC Wealth Management Products and the CITIC Bank Wealth Management Products; and
“%”	per cent.

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

Hong Kong, 20 September 2022

As at the date of this announcement, the Board comprises 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, Ms. YANG Hoi Ti Heidi and Mr. NG, Joo Yeow Gerry as independent non-executive Directors.