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三生制药
3SBIO INC.

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1530)

PROPOSED ISSUE OF EURO DENOMINATED CONVERTIBLE BONDS

The Issuer (a direct wholly-owned subsidiary of the Company) proposes to conduct an international offering of the Euro-denominated convertible bonds to be guaranteed by the Company to professional investors only.

As at the date of this announcement, the amount, terms and conditions of the Proposed Bonds Issue have yet to be determined. Upon finalizing the terms of the Bonds, the Issuer, the Company, Deutsche Bank AG, Hong Kong Branch and Goldman Sachs (Asia) L.L.C. will enter into a subscription agreement in respect of the Proposed Bonds Issue. The Company will make a further announcement in respect of the Proposed Bonds Issue should the subscription agreement in respect of the Proposed Bonds Issue be signed.

As no binding agreement in relation to the Proposed Bonds Issue has been entered into as at the date of this announcement, the Proposed Bonds Issue may or may not materialise. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

THE PROPOSED BONDS ISSUE

The Issuer (a direct wholly-owned subsidiary of the Company) proposes to conduct an international offering of the Euro-denominated convertible bonds to be guaranteed by the Company to professional investors only.

The completion of the Proposed Bonds Issue is subject to, among other things, market conditions and investor interest. Deutsche Bank AG, Hong Kong Branch and Goldman Sachs (Asia) L.L.C. are the managers of the Proposed Bonds Issue. As at the date of this announcement, the amount, terms and conditions of the Proposed Bonds Issue have yet to be determined. Upon finalizing the terms of the Bonds, the Issuer, the Company, Deutsche Bank AG, Hong Kong Branch and Goldman Sachs (Asia) L.L.C. will enter into a subscription agreement in respect of the Proposed Bonds Issue. The Company will make a further announcement in respect of the Proposed Bonds Issue should the subscription agreement in respect of the Proposed Bonds Issue be signed.

The Bonds will only be offered, sold or delivered outside the Untied States in offshore transaction in reliance on Regulation S. None of the Bonds will be offered to the public in Hong Kong and none of the Bonds will be placed with any connected person of the Company.

INFORMATION ABOUT THE GROUP

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.

BUSINESS UPDATE

The Group's unaudited consolidated financial statements for the six months ended 30 June 2017 are not yet available. They are expected to be available at the end of August 2017 and will be released to the public by way of an announcement at that time. Sales for the Group's key products continued to grow during this period. The Group acquired the controlling interest in Guojian, the maker of Yisaipu, in March 2016. The Group borrowed RMB3.99 billion of bank loans in relation to the acquisition, which resulted in the increase in the Group's interest expenses following such acquisition. The Group expects sales for Yisaipu will continue to grow over time. The exclusive right of distribution and promotion of Humulin in China was commenced from 1 July 2017, and therefore Humulin will only start to generate sales in the second half of 2017. The Group believes the contribution by its different products for the first half of 2017 relative to the full year of 2017 will be largely consistent with that of the first half of 2016 relative to the full year of 2016, taking into account the full-period consolidation of Guojian's financial results in 2017. Historically, the Group has experienced stronger sales in the second half of the year, as patients who consume the Group's products generally avoid the Chinese New Year period to get treatment and hospitals tend to procure higher volumes in the second half of the year in preparation for the supply suspension during the Chinese New Year. Guojian's financial results were fully consolidated during the second half of 2016. In February 2017, three of the Group's products, including TPIAO and Yisaipu, were newly added to the National Medical Insurance Catalogue, which the Group expects will have a positive impact on its sales in the second half of 2017 compared to the first half of 2017.

PROPOSED USE OF PROCEEDS

The net proceeds from the Bonds are proposed to be used for repaying the current loans of the Group, future merger and acquisition, research and development, purchase of operation facilities and other general corporate purposes.

LISTING

A formal application will be made by the Issuer to the Hong Kong Stock Exchange for the listing of, and permission to deal in the Bonds, on the Hong Kong Stock Exchange and an application will be made by the Company to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Conversion Shares on the Hong Kong Stock Exchange. Listing of the Bonds on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Issuer, the Company or the Bonds.

As no binding agreement in relation to the Proposed Bonds Issue has been entered into as at the date of this announcement, the Proposed Bonds Issue may or may not materialise. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

"Board"	the board of Directors of the Company
"Bonds"	the Euro-denominated convertible bonds expected to be issued by the Issuer and to be guaranteed by the Company
"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
"connected person"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Conversion Share(s)"	the share(s) of the Company to be issued upon conversion of the Bonds pursuant to the trust deed to be entered into among the Issuer, the Company and the trustee, and pursuant to the terms and conditions of the Bonds
"Directors"	the directors of the Company
"Euro"	Euro, the lawful currency of the member state of the Eurozone

“Group”	the Company and its subsidiaries
“Guojian”	Sunshine Guojian Pharmaceutical (Shanghai) Co., Ltd. (三生國健藥業(上海)股份有限公司), formerly known as Shanghai CP Guojian Pharmaceutical Co., Ltd. (上海中信國健藥業股份有限公司), a company incorporated in the PRC on 25 January 2002, in which the Group holds approximately 96.22% equity interest as at the date of this announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“National Medical Insurance Catalogue”	the National Basic Medical Insurance and Work-Related Injury Insurance Drug Catalogue (《國家基本醫療保險和工傷保險藥品目錄》) issued by the Ministry of Human Resources and Social Security of the PRC
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Proposed Bonds Issue”	the proposed issue of the Bonds by the Issuer
"RMB"	Renminbi, the lawful currency of the PRC
“United States”	the United States of America, its territories and professions and all areas subject to its jurisdiction

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

Hong Kong, 12 July 2017

As at the date of this announcement, the Board comprises Mr. LOU Jing, Mr. TAN Bo, Ms. SU Dongmei and Mr. HUANG Bin as executive Directors; Mr. LIU Dong and Mr. WANG Steven Dasong as non-executive Directors; and Mr. PU Tianruo, Mr. David Ross PARKINSON and Mr. MA Jun as independent non-executive Directors.