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**三生制药**  
**3SBIO INC.**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1530)**

**(Convertible Bonds Code: 5241)**

## **ANNOUNCEMENT**

**(1) MAJOR TRANSACTION AND CONNECTED TRANSACTION:  
FORMATION OF JOINT VENTURE AND GRANT OF PUT OPTION;**

**AND**

**(2) DISCLOSEABLE TRANSACTION:  
ACQUISITION OF THE CDMO BUSINESS**

### **FORMATION OF JOINT VENTURE AND GRANT OF PUT OPTION**

On 1 September 2017 (after trading hours), 3SBio Parties entered into the Shareholders Agreement with CPE Funds, pursuant to which, 3SBio Parties and CPE Funds have conditionally agreed to establish the Joint Venture, which is to be owned as to 51% by 3SBio Parties and as to 49% by CPE Funds. The Company seeks to establish the Joint Venture as a development and manufacturing platform operating a comprehensive and profitable biological CDMO business in North America, expanding the Group's biopharmaceutical business into North America, favourably positioning the Group to access global biopharma companies through the CDMO services in North America for the opportunities of licensing innovative products and exploring different strategic collaborations in the future, and creating potential synergies with the development and manufacturing capacity of the Group. 3SBio Parties have granted the Put Option to CPE Funds, pursuant to which CPE Funds are entitled to sell all or part of their shareholdings in the Joint Venture to 3SBio Parties from the fourth anniversary of the Closing Date, subject to the terms and conditions under the Shareholders Agreement.

## **ACQUISITION OF THE CDMO BUSINESS**

On the same day (after trading hours), the Buyer (which will become an indirect wholly-owned subsidiary of the Joint Venture in Canada before Closing) entered into the Asset Purchase Agreement with the Seller in respect of the Acquisition, subject to fulfilment or waiver (where applicable) of conditions precedent. Pursuant to the Asset Purchase Agreement, at the Closing and effective as of the Closing Time, the Buyer has conditionally agreed to purchase the CDMO Business from the Seller, and the Seller has conditionally agreed to sell, transfer, convey, assign and set over to the Buyer all of its right, title, benefit and interest in and to the CDMO Business.

The Purchase Price for the CDMO Business is US\$290 million (i.e. HK\$2,268.1 million) and the assumption of the Assumed Liabilities, subject to the adjustments provided in the Asset Purchase Agreement.

## **LISTING RULES IMPLICATIONS**

### **Formation of Joint Venture and grant of Put Option — Major transaction and connected transaction**

As at the date of this announcement, CPE Funds are associates of CS Sunshine and are therefore connected persons of the Company. Accordingly, the formation of the Joint Venture and the grant of the Put Option under the Shareholders Agreement constitute connected transactions of the Company.

In addition, both the Joint Venture and the Buyer will become connected subsidiaries of the Company. Accordingly, the provision of the full guarantee by 3SBio Parties of the obligations under the Commercial Loan to be obtained by the Buyer and the provision of the 3SBio Loan to the Buyer, each considered as financial assistance to the Buyer, also constitute connected transactions of the Company.

Since the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the formation of the Joint Venture under the Shareholders Agreement (including the capital commitment by 3SBio Parties, the provision of the full guarantee by 3SBio Parties of the obligations under the Commercial Loan and the provision of the 3SBio Loan, and having taken into account the maximum potential adjustments to the Purchase Price under the Asset Purchase Agreement) exceeds 5% but is less than 25%, the transactions amount to a non-exempt connected transaction subject to the reporting, announcement and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules and a discloseable transaction subject to announcement requirements under Chapter 14 of the Listing Rules. As the Put Option contemplated under the Shareholders Agreement is exercisable at the discretion of CPE Funds and no actual monetary value of the exercise price has been determined, the grant of the Put Option will be classified as at least a major transaction for the Company pursuant to Rule 14.76(1) of the Listing Rules.

The Company will convene an extraordinary general meeting for purposes of, among other matters, seeking approval from the Independent Shareholders with respect to the formation of the Joint Venture contemplated under the Shareholders Agreement.

A circular containing, among other things, (i) the details of the formation of the Joint Venture under the Shareholders Agreement (including the capital commitment by 3SBio Parties, the grant of the Put Option, the provision of the full guarantee by 3SBio Parties of the obligations under the Commercial Loan and the provision of the 3SBio Loan, and having taken into account the maximum potential adjustments to the Purchase Price under the Asset Purchase Agreement); (ii) a letter of advice from the independent committee of the Board to the Independent Shareholders; (iii) a letter of opinion from the independent financial advisor to the independent committee of the Board and the Independent Shareholders; (iv) the notice convening the extraordinary general meeting and a proxy form; and (v) other information as required to be disclosed under the Listing Rules, will be dispatched to the Shareholders as soon as possible but not later than 13 October 2017, as additional time is required by the Company for the preparation of the relevant information for inclusion in the circular.

### **Acquisition of the CDMO Business — Discloseable transaction**

Since the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition of the CDMO Business contemplated under the Asset Purchase Agreement exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**Closing is conditional upon the satisfaction or, if applicable, waiver of the conditions precedent set out in the Shareholders Agreement and the Asset Purchase Agreement. Accordingly, the formation of the Joint Venture, the Acquisition and other transactions contemplated under the Shareholders Agreement and the Asset Purchase Agreement may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

## **INTRODUCTION**

On 1 September 2017 (after trading hours), 3SBio Parties entered into the Shareholders Agreement with CPE Funds, pursuant to which, 3SBio Parties and CPE Funds have conditionally agreed to establish the Joint Venture, which is to be owned as to 51% by 3SBio Parties and as to 49% by CPE Funds. The Company seeks to establish the Joint Venture as a development and manufacturing platform operating a comprehensive and profitable biological CDMO business in North America, expanding the Group's biopharmaceutical business into North America, favourably positioning the Group to access global biopharma companies through the CDMO services in North America for the opportunities of licensing innovative products and exploring different strategic collaborations in the future, and creating potential synergies with the development and manufacturing capacity of the Group.

On the same day (after trading hours), the Buyer (which will become an indirect wholly-owned subsidiary of the Joint Venture in Canada before Closing) entered into the Asset Purchase Agreement with the Seller in respect of the Acquisition, subject to fulfilment or waiver (where applicable) of conditions precedent. Pursuant to the Asset Purchase Agreement, at the Closing and effective as of the Closing Time, the Buyer has conditionally agreed to purchase the CDMO Business from the Seller, and the Seller has conditionally agreed to sell, transfer, convey, assign and set over to the Buyer all of its right, title, benefit and interest in and to the CDMO Business. The Purchase Price for the CDMO Business is US\$290 million (i.e. HK\$2,268.1 million) and the assumption of the Assumed Liabilities, subject to the adjustments provided in the Asset Purchase Agreement.

# SHAREHOLDERS AGREEMENT — FORMATION OF THE JOINT VENTURE

The principal terms of the Shareholders Agreement are summarized below:

- Date:** 1 September 2017
- Parties:** (i) 3SBio Parties; and  
(ii) CPE Funds.
- Formation of the Joint Venture:** The Joint Venture will be owned as to 51% by 3SBio Parties and as to 49% by CPE Funds.
- Purpose of the Joint Venture:** The Joint Venture will be the sole shareholder of the Buyer, which will acquire the CDMO Business from the Seller under the Asset Purchase Agreement and will enter into the Construction Agreement with the Seller relating to, among others, the construction of the commercial facility for the purpose of the commercial manufacture of plasma-related therapeutic products by the Buyer for the Products Business.
- Capital Commitment and Proposed Use of Capital:** The maximum aggregate sum of capital commitment to the Joint Venture to be made by 3SBio Parties and CPE Funds, after having taken into account the maximum potential adjustments to the Purchase Price and relevant costs and expenses incurred from the Acquisition under the Asset Purchase Agreement, for the purpose of financing the transactions contemplated under the Asset Purchase Agreement and the Construction Agreement, is expected to be US\$423 million (i.e. HK\$3,308.4 million), assuming that (i) an aggregate maximum sum of cash contributions of US\$283.8 million (i.e. HK\$2,219.7 million) is made by 3SBio Parties and CPE Funds, (ii) a commercial loan of US\$100 million (i.e. HK\$782.1 million) is obtained by the Buyer (the “**Commercial Loan**”), (iii) a loan of US\$39.2 million (i.e. HK\$306.6 million) is provided by the Group to the Buyer (the “**3SBio Loan**”), and (iv) a maximum capital commitment of C\$100 million (i.e. HK\$619.4 million) is made under the Construction Agreement, subject to conditions.

The details of 3SBio Parties' and CPE Funds' respective cash contributions, the Commercial Loan and the 3SBio Loan are as follows:

**(i) 3SBio Parties' Cash Contributions**

- (a) The maximum amount of 3SBio Parties' cash contributions will be US\$175.8 million (i.e. HK\$1,375 million), assuming that the lowest potential sum of the Commercial Loan of US\$100 million (i.e. HK\$782.1 million) is obtained by the Buyer, and 3SBio Parties will pay for the maximum sum of the last instalment of C\$80 million (i.e. HK\$495.5 million) (the "**Last Instalment**") under the Construction Agreement; and
- (b) The minimum amount of 3SBio Parties' cash contributions will be US\$109.4 million (i.e. HK\$855.6 million), assuming that the highest potential sum of the Commercial Loan of US\$110 million (i.e. HK\$860.3 million) is obtained by the Buyer, and the Buyer will pay for the Last Instalment. However, if 3SBio Parties will pay for the Last Instalment in proportion to their shareholdings in the Joint Venture and on the basis that their shareholdings remain as 51% in the Joint Venture, the minimum amount of 3SBio Parties' cash contributions will increase to US\$139.6 million (i.e. HK\$1,091.8 million),

which is to be paid by 3SBio Parties with their cash resources;

**(ii) CPE Funds' Cash Contributions**

- (a) The maximum amount of CPE Funds' cash contributions will be US\$139.1 million (i.e. HK\$1,087.9 million), assuming that the lowest potential sum of the Commercial Loan of US\$100 million (i.e. HK\$782.1 million) is obtained by the Buyer, and CPE Funds will pay for the Last Instalment in proportion to their shareholdings in the Joint Venture and on the basis that their shareholdings remain as 49% in the Joint Venture; and
- (b) The minimum amount of US\$105.1 million (i.e. HK\$822 million), assuming that the highest potential sum of the Commercial Loan of US\$110 million (i.e. HK\$860.3 million) is obtained by the Buyer, and CPE Funds will not pay for the Last Instalment,

which is to be paid by CPE Funds with their cash resources;

**(iii) Commercial Loan** — the Commercial Loan of no less than US\$100 million (i.e. HK\$782.1 million) and no more than US\$110 million (i.e. HK\$860.3 million) is expected to be obtained by the Buyer on or before the Closing Date and fully guaranteed by the Company. The terms of the Commercial Loan are still under negotiation as at the date of this announcement, and it is expected that the loan agreement(s) for the Commercial Loan, if any, will be entered into by, among others, the Company (as the guarantor), the Buyer (as the borrower) and the relevant lenders before Closing. In the event that the Buyer does not obtain any Commercial Loan as proposed or currently expected, 3SBio Parties and CPE Funds will make further cash contributions in the Joint Venture as required to cover any shortfall on a pro rata basis based on their shareholdings in the Joint Venture; and

**(iv) 3SBio Loan** — if required, a loan in a maximum amount of US\$39.2 million (i.e. HK\$306.6 million) will be provided by the Group to the Buyer upon or soon after Closing at an annual interest rate of 6% for the payment of any applicable taxes arising from the Acquisition (the “**3SBio Loan**”), which are expected to be subsequently refunded by the relevant tax authorities upon application by the Buyer to the tax authorities. In the unlikely event that the Buyer does not obtain such tax refund to repay the 3SBio Loan as expected, 3SBio Parties and CPE Funds will share such taxes on a pro rata basis based on their shareholdings in the Joint Venture. If CPE Funds elect not to share such taxes, 3SBio Parties’ shareholdings in the Joint Venture will increase accordingly pursuant to the terms of the Shareholders Agreement.

The abovementioned capital commitments by 3SBio Parties and CPE Funds to the Joint Venture were determined after arm’s length negotiation between the parties with reference to (i) the Purchase Price payable by the Buyer under the Asset Purchase Agreement; (ii) the capital commitment payable by the Buyer under the Construction Agreement; and (iii) the potentially more favourable terms that the Buyer may negotiate for its financing from third parties with a full guarantee by the Company of the Commercial Loan and those terms of which the Buyer may benefit from the 3SBio Loan.

**Financing  
Obligations:**

The payment obligations of 3SBio Parties and CPE Funds are several but not joint under the Asset Purchase Agreement and the Construction Agreement. Accordingly, their respective financing obligations under the Shareholders Agreement are several but not joint.

**Future Capital  
Contributions:**

Any future capital contribution requirements by the Joint Venture Group shall be met by 3SBio Parties and CPE Funds in proportion to their respective shareholdings in the Joint Venture, unless otherwise agreed by both parties in writing or by way of debt financing as agreed by both parties.

The Joint Venture may also obtain its own financing from third parties in the future, subject to the terms and conditions set forth in the Shareholders Agreement.

**Corporate  
Governance:**

**Board of directors**

The board of directors shall consist of six directors, among which three shall be nominated by 3SBio Parties, two shall be nominated by CPE Funds, and one shall be nominated by 3SBio Parties and CPE Funds jointly. The quorum for board meeting shall be more than one half of the directors with at least one director nominated by each of 3SBio Parties and CPE Funds, respectively.

**Reserved matters**

The approval from CPE Funds or the directors nominated by CPE Funds (as the case may be) shall be obtained for, among others, the following matters:

- (i) any amendments of the articles of association of the Joint Venture Group;
- (ii) any change in shareholding or shareholding structure of the Joint Venture Group (including the increase in share capital or repurchase of shares);
- (iii) any establishment or amendments of any equity-linked incentive schemes or profit distribution mechanism of the Joint Venture;
- (iv) any change in quorum and composition of the board of directors of the Joint Venture Group (unless such change is in compliance with the Shareholders Agreement); and
- (v) any acquisition or disposal of material assets with the transaction amount exceeding US\$3 million (i.e. HK\$23.5 million) individually or in an aggregated basis within a 12 month period to be made by the Joint Venture Group.

**Restrictions on  
Transfer:**

Any transfer of shares by each of 3SBio Parties and CPE Funds in the Joint Venture (other than to their respective related parties and subject to the terms of the Shareholders Agreement) is subject to the prior written consent of the other parties (i.e. prior written consent is required from 3SBio Parties in the event that CPE Funds are to transfer their shares in the Joint Venture and vice versa), except for the transfer of shares upon the exercise of the Put Option. After the fourth anniversary of the Closing Date, CPE Funds may freely transfer their shares in the Joint Venture, subject to the right of first refusal by 3SBio Parties.

**Put Option:** 3SBio Parties have granted the Put Option to CPE Funds, pursuant to which CPE Funds are entitled to sell all or part of their shareholdings in the Joint Venture to 3SBio Parties from the fourth anniversary of the Closing Date, subject to the terms and conditions under the Shareholders Agreement.

The exercise price per share of the Put Option shall be the sum of (i) the aggregate capital commitment by CPE Funds to the Joint Venture, (ii) the dividend declared but not yet paid for the shares of the Joint Venture held by CPE Funds, and (iii) an annual return rate of 10% compound interest from the aggregate capital commitment by CPE Funds (calculated from the relevant payment date of the capital commitment until the date of payment of the exercise price), divided by the number of shares held by CPE Funds at the time of exercising the Put Option.

The exercise price is determined with reference to private equity firms' investments in recent successful Hong Kong IPOs in the healthcare sector.

**Conditions Precedent:** The Shareholders Agreement will become effective and binding on each party upon the Shareholders Agreement having been approved by its internal approval committee or its independent shareholders at general meeting (as the case may be).

## **ASSET PURCHASE AGREEMENT — ACQUISITION OF THE CDMO BUSINESS**

The principal terms of the Asset Purchase Agreement are summarized below:

**Date:** 1 September 2017

**Parties:** (i) Buyer: 10363782 Canada Inc.

(ii) Seller: Therapure Biopharma Inc.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Seller and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

**Assets and Business to be Acquired under the Asset Purchase Agreement:**

Subject to the terms and conditions set forth in the Asset Purchase Agreement, at the Closing and effective as of the Closing Time, the Buyer agrees to purchase the CDMO Business from the Seller, and the Seller agrees to sell, transfer, convey, assign and set over to the Buyer all of its right, title, benefit and interest in and to the CDMO Business.

The CDMO Business mainly include: (a) current assets listed in the Asset Purchase Agreement; (b) material agreements listed in the Asset Purchase Agreement; (c) properties listed in the Asset Purchase Agreement; and (d) certain other assets, to the extent that they are primarily used or primarily held for use in connection with the CDMO Business, including mainly: (i) fixed assets and tangible personal property of the Seller including all machines, machinery, fixtures, furniture, furnishings, vehicles, material handling equipment, computers, photocopiers, office equipment, supplies, implements, tools and spare parts; (ii) intellectual properties of the Seller such as registered patents, patent applications, copyrights, trade-marks, etc. in relation to the CDMO Business; (iii) material contracts, agreements or leases in relation to the CDMO Business; (iv) books, records and business information in relation to the CDMO Business; (v) all claims of the Seller against third parties in relation to the CDMO Business; (vi) goodwill relating to the CDMO Business; (vii) the licences, permits and approvals issued by governmental authorities relating to the CDMO Business that are transferable under applicable law; and (viii) the employment of CDMO Employees to whom the Buyer offers employment and who accept such offer of employment.

**Consideration:**

**Purchase Price**

The Purchase Price for the CDMO Business, subject to adjustments pursuant to the terms of the Asset Purchase Agreement, is US\$290 million (i.e. HK\$2,268.1 million) and the assumption of the Assumed Liabilities.

The Purchase Price for the CDMO Business shall be paid at the Closing Time and satisfied by the Buyer by (a) the wire transfer of US\$290 million (i.e. HK\$2,268.1 million) without withholding, deduction or set-off to an account specified by the Seller; and (b) the balance of the Purchase Price by the execution and delivery of an assignment and assumption agreement relating to an assignment by the Seller to the Buyer of all of the CDMO Business that are intangible personal property and the Buyer's undertaking and assumption of the Assumed Liabilities.

### **Assumed Liabilities**

On Closing, the Buyer shall assume and thereafter fully pay, discharge, perform and fulfil the Assumed Liabilities pursuant to the terms of the Asset Purchase Agreement, which consist of any and all liabilities of the Seller relating to, arising out of or resulting from: (i) the operation or conduct of the CDMO Business, as conducted at any time prior to, at or after the Closing Time; (ii) the operation or conduct of the CDMO Business at any time after the Closing Time; or (iii) any asset relating to the CDMO Business, whether arising before, on or after the Closing Time. Such Assumed Liabilities mainly include: (i) current liabilities of the CDMO Business; (ii) any liability to the Seller's customers incurred by the Seller in the ordinary course for non-delinquent orders outstanding as of the Closing Time reflected on its corporate books and records; (iii) any liability to the Seller's customers under written warranty agreements given by the Seller to its customers in the ordinary course prior to the Closing Time which warranties have not expired or otherwise lapsed and continue in effect following the Closing Time; (iv) any liability arising after the Closing Time relating to the CDMO Business; (v) sales taxes payable associated with the accounts receivable, notes receivable, loans receivable and accounts payable relating exclusively to the CDMO Business outstanding as at the Closing Date; (vi) any liability with respect to any litigation, action or proceeding, whether or not now pending or threatened, to the extent arising from the CDMO Business and based on events occurring or a state of facts existing on or prior to the Closing Date; and (vii) certain obligations with respect to CDMO Employees as provided in the Asset Purchase Agreement.

### **Purchase Price Adjustment**

On the Adjustment Date, the Purchase Price shall be adjusted as follows:

- (i) if the Final Working Capital exceeds the Working Capital Target by more than C\$1 million (i.e. HK\$6.2 million), then the amount by which the Final Working Capital exceeds the Working Capital Target shall be added to the Purchase Price; and
- (ii) if the Final Working Capital is less than the Working Capital Target by more than C\$1 million (i.e. HK\$6.2 million), then the amount by which the Final Working Capital is less than the Working Capital Target shall be deducted from the Purchase Price.

If the Purchase Price after the abovementioned adjustment is greater than the amount paid as the Purchase Price on Closing, the Buyer shall pay to the Seller the amount of such excess on the Adjustment Date. If the Purchase Price after the abovementioned adjustment is less than the amount paid as the Purchase Price on Closing, the Seller shall pay to the Buyer the amount of such deficiency on the Adjustment Date. Any amount owed by a party to any other party as an adjustment to the Purchase Price shall be made by wire transfer to the account designated by the Buyer or the Seller, as applicable, on or prior to the Adjustment Date and shall bear interest from the date of Closing to the date of payment at the Prime Rate plus 2% per annum, compounded annually. Such interest shall accrue and be paid at the same time as the amount owed is paid hereunder.

The Purchase Price (including the applicable adjustments) was determined after arm's length negotiation between the Buyer and the Seller on normal commercial terms and after having taken into account the results of the due diligence and financial analysis conducted by the Buyer and its professional advisers based on information provided by the Seller.

The Purchase Price for the Acquisition will be paid by the Buyer out of its capital and by way of debt financing.

The estimated maximum sum of the Purchase Price payable by the Buyer under the Asset Purchase Agreement, having taken into account the maximum potential adjustments to the Purchase Price adjustments, is US\$297.9 million (i.e. HK\$2,329.9 million).

**Conditions precedent:**

**Conditions precedent to obligations of the Buyer under the Asset Purchase Agreement**

The Buyer shall be obliged to complete the Closing only if each of the conditions precedent set out below has been satisfied in full at or before the Closing Time. Each of such conditions precedent is for the exclusive benefit of the Buyer and the Buyer may waive any of them in whole or in part in writing:

- (i) all of the representations and warranties made by the Seller under the Asset Purchase Agreement shall be true and correct as if made at and as of the Closing Time in all material respects, except for, in respect of certain specified representations and warranties only and unless otherwise excluded, breaches and inaccuracies that would not, individually or in the aggregate, reasonably be expected to have a material adverse effect; the Seller shall have observed or performed in all material respects all of the obligations, covenants and agreements that are to be performed by it; and the Buyer shall have received immediately prior to the Closing Time a certificate from each of the chief executive officer and the chief financial officer of the Seller in relation to the foregoing;

- (ii) all documents relating to the authorization and completion of the transactions contemplated under the Asset Purchase Agreement and all actions and proceedings taken at or prior to the Closing Time in connection with the performance by the Seller of its obligations under the Asset Purchase Agreement shall be satisfactory to the Buyer, acting reasonably, and the Buyer shall have received copies of all such documents and evidence that all such actions and proceedings have been taken as it may reasonably request, in form and substance satisfactory to the Buyer, acting reasonably;
- (iii) all consents or approvals from, or notifications to any third person required to assign the relevant contracts to the Buyer in form and substance satisfactory to the Buyer, acting reasonably, shall have been obtained or given on or before the Closing Time;
- (iv) all consents, approvals, orders and authorizations of any governmental authority required for the Closing (other than routine post-closing notifications or filings and the ICA Clearance), including the drug establishment license to be obtained by the Buyer, and the Independent Shareholders' approval on any relevant resolutions required for the completion of the Acquisition, in each case, shall have been obtained or made on or before the Closing Time;
- (v) between the execution of the Asset Purchase Agreement and the Closing Date, there shall not have occurred any event that has a material adverse effect and the Buyer shall have received immediately prior to Closing a certificate from a senior officer of the Seller certifying, to that officer's knowledge but without personal liability, that no such event has occurred;
- (vi) no court order or order of any competent administrative tribunal shall be in effect that restrains or prohibits the transactions contemplated under the Asset Purchase Agreement;
- (vii) the Seller shall have executed and delivered the closing documents in accordance with the Asset Purchase Agreement, including but not limited to the Construction Agreement, the transitional services agreement, the lease agreements, assignment and assumption agreement, the general conveyance, the clinic and commercial supply agreements and quality agreement;
- (viii) any specified individual and an identified percentage of certain CDMO Employees shall have accepted offers of employment from the Buyer;
- (ix) the ICA Clearance shall have been obtained; and
- (x) any changes made by the Seller to the disclosure letter in respect of the representations and warranties after the date of the Asset Purchase Agreement shall be satisfactory to the Buyer, acting reasonably.

**Conditions precedent to obligations of the Seller under the Asset Purchase Agreement**

The Seller shall be obliged to complete the Closing only if each of the conditions precedent set out below has been satisfied in full at or before the Closing Time. Each of such conditions precedent is for the exclusive benefit of the Seller and the Seller may waive any of them in whole or in part in writing:

- (i) all of the representations and warranties made by the Buyer under the Asset Purchase Agreement shall be true and correct in all material respects as if made at the Closing Time except for, unless otherwise excluded, breaches and inaccuracies that would not, individually or in the aggregate, reasonably be expected to have a material impairment or delay of the ability of the Buyer to perform its obligations or to consummate the transactions contemplated under the Asset Purchase Agreement; the Buyer shall have observed or performed in all material respects all of the obligations, covenants and agreements to be performed by it; and the Seller shall have received immediately prior to Closing Time a certificate from a senior officer of the Buyer in relation to the foregoing;
- (ii) all documents relating to the authorization and completion of the transactions contemplated under the Asset Purchase Agreement and all actions and proceedings taken at or prior to the Closing Time in connection with the performance by the Buyer of its obligations under the Asset Purchase Agreement shall be satisfactory to the Seller, acting reasonably, and the Seller shall have received copies of all such documents and evidence that all such actions and proceedings have been taken as it may reasonably request, in form and substance satisfactory to the Seller, acting reasonably;
- (iii) no court order or order of any competent administrative tribunal shall be in effect that restrains or prohibits the transactions contemplated under the Asset Purchase Agreement;
- (iv) all consents, approvals, orders and authorizations of any governmental authority (or registrations, declarations, filings or recordings with any of them), required for the Closing (other than routine post-closing notifications or filings and the ICA Clearance), including the Independent Shareholders' approval shall have been obtained or made on or before the Closing Time;
- (v) the Buyer shall have executed and delivered or cause to be executed and delivered the closing documents in accordance with the Asset Purchase Agreement, including but not limited to the Construction Agreement, the transitional services agreement, the lease agreements, assignment and assumption agreement, the general conveyance, the clinic and commercial supply agreements and the quality agreement; and
- (vi) the ICA Clearance shall have been obtained.

### Termination on failure to satisfy conditions precedent

If any condition set above is not satisfied at the Closing Time, or if it becomes apparent that any such condition cannot be satisfied at the Closing Time, the party entitled to the benefit of such condition (the “**First Party**”) may terminate the Asset Purchase Agreement by notice in writing to the other party (the “**Other Party**”), and, by way of summary, in such event:

- (i) unless the Other Party can show that the First Party is at fault, the First Party shall be released from all obligations hereunder; and
- (ii) unless the First Party can show that the Other Party is at fault, the Other Party shall also be released from all obligations hereunder.

#### **Closing:**

Upon the conditions precedent having been satisfied or waived by the relevant parties, the Asset Purchase Agreement shall proceed to Closing on the Closing Date at the Closing Time.

#### **Construction Agreement and other Business Cooperation Agreements:**

As one of the conditions precedent to the Asset Purchase Agreement as noted above, on or prior to the Closing, the Buyer and the Seller will also enter into, among others, the Construction Agreement and certain other business cooperation agreements relating to the construction of the commercial facility and the clinic and commercial manufacture of plasma-related therapeutic products by the Buyer for the Products Business.

Under the Construction Agreement, the Buyer shall expand the existing commercial facility of the Seller by constructing an additional new facility for the purpose of the commercial manufacture of plasma-related therapeutic products by the Buyer for the Products Business. A maximum capital commitment of C\$100 million (i.e. HK\$619.4 million) will be satisfied by the Buyer by three instalments by stage payments pursuant to the terms of the Construction Agreement, the actual capital commitment of which will be dependent on whether certain conditions precedent are satisfied (including but not limited to having obtained approvals for the relevant pharmaceutical products).

The Seller will be the owner of the new facility until the Last Instalment of a maximum sum of C\$80 million (i.e. HK\$495.5 million) is received by the Seller, at which time the Seller shall transfer all of its right, title and interest in the new commercial facility to the Buyer.

In the event that the Buyer fails to obtain sufficient external debt financing to pay for the Last Instalment of the Buyer's capital commitment under the Construction Agreement and CPE Funds elect not to make further capital contribution in the Joint Venture on a pro rata basis based on their shareholdings in the Joint Venture, 3SBio Parties shall pay for such Last Instalment in full and their shareholdings in the Joint Venture shall increase accordingly pursuant to the terms of the Shareholders Agreement.

**Management  
Share  
Subscriptions  
and Share  
Awards:**

Certain identified management members who have agreed to join the Buyer undertake to subscribe shares of the Joint Venture (the "**Subscribed Shares**") immediately after the Closing Date, and the Joint Venture will provide an interest free loan to such management members for their subscription. As part of the incentives and compensation, such management members will be awarded further shares (the "**Restricted Shares**"), subject to vesting conditions. The Subscribed Shares and the Restricted Shares will be in an aggregate of no more than 2.5% of the enlarged share capital of the Joint Venture, and 3SBio Parties' and CPE Funds' shareholdings in the Joint Venture will be diluted accordingly.

## **UNDERTAKINGS OF THE COMPANY, CPE FUND II AND CPE FUND IIA**

The Company on one hand and CPE Fund II and CPE Fund IIA on the other hand have entered into separate guarantee agreements to unconditionally and irrevocably guarantee, on a several basis, to the Seller all obligations and liabilities of the Buyer to the Seller in the Asset Purchase Agreement in proportion to 3SBio Parties' and CPE Funds' equity interests in the Joint Venture, respectively.

In addition, the Company has undertaken to the Seller to use its best efforts to obtain the Independent Shareholders' approval on any relevant resolutions required for the completion of the Acquisition at the extraordinary general meeting of the Company.

## **INFORMATION ON THE CDMO BUSINESS**

### **Unaudited Pro-forma Book Value**

The book value of the CDMO Business as of 31 March 2017 was C\$101 million (i.e. HK\$625.6 million) according to the unaudited pro-forma management accounts provided by the Seller.

## Unaudited Pro-forma Revenue, EBITDA and Net Profits attributable to the CDMO Business

Based on the unaudited pro-forma management accounts provided by the Seller (based on its sole discretion in making all relevant discretionary adjustments), for illustration purposes only, the revenue, EBITDA and net profits attributable to the CDMO Business for the two years ended 31 December 2016 were as follows:

	<b>For the year ended 31 December 2015 (unaudited) (C\$)</b>	<b>For the year ended 31 December 2016 (unaudited) (C\$)</b>
Revenue	<b>54,416,456</b> (i.e. HK\$337,055,528)	<b>84,579,468</b> (i.e. HK\$523,885,225)
EBITDA	<b>7,831,957</b> (i.e. HK\$48,511,142)	<b>23,044,747</b> (i.e. HK\$142,739,163)
Net profit before taxes and before extraordinary items	<b>608,062</b> (i.e. HK\$3,766,336)	<b>15,609,862</b> (i.e. HK\$96,687,485)
Net profit after taxes and before extraordinary items	<b>608,062</b> (i.e. HK\$3,766,336)	<b>12,406,751</b> (i.e. HK\$76,847,416)

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

The Company is a leading biotechnological company with a principal focus on biopharmaceutical products in the PRC. The Company is engaged in developing, manufacturing, marketing and distributing innovative biopharmaceutical products in the PRC with core competitive strengths in research and development, strong market positioning, advanced-technology manufacturing and high quality product control.

As part of its global expansion plans and with a view to developing the Company into a leading global biopharmaceutical company based in China, with Sirton, a contract-based pharmaceutical manufacturer based in Italy and the biological manufacturing capacity of Sunshine Guojian in Shanghai, the Company has continued to actively search for overseas targets with high growth potentials and quality assets that are complementary to the Group's existing businesses. The Company aims to expand its global presence and biopharmaceutical technology capabilities through strategic co-operations and acquisitions, and strive to generate significant shareholders' value by leveraging on its development and manufacturing capacity in the biopharmaceutical industry.

In line with the Company's business development strategies, the Acquisition will effectively combine the Group's leading mammalian cell culture capability with the significant expertise in downstream purification and transgenic, plasma-derived proteins that can be offered by the CDMO Business. With Sunshine Guojian's 38,000-litre production capacity, which is currently the largest production capacity in China, the Acquisition is expected to create significant operational and revenue synergies between the Group's existing business and the CDMO Business.

The Board also believes that the formation of the Joint Venture with CPE Funds provides a unique strategic opportunity for the Company to cooperate with members of CITICPE, a leading Chinese private equity group with substantial experience in biopharmaceutical investment in China. Not only is the Joint Venture complementary to the Group's business strategies and expansion plans, it also enables the Group to leverage from the CPE Funds' expertise in identifying suitable targets and facilitating in the execution of such biopharmaceutical investment transactions.

The Company seeks to establish the Joint Venture as a global, comprehensive and biologics-focused CDMO platform for enhancing the Company's product lines, strengthening its product portfolios and diversifying its income streams, so that it can further expand and penetrate the Group's biopharmaceutical business into China, Europe, North America and the other parts of the world. The Acquisition may also favourably position the Group to access global biopharma companies through the CDMO services in North America, seek new opportunities for licensing innovative products and explore different strategic collaborations in the future.

The Acquisition will not affect the Company's existing expansion plans in manufacturing its marketed products, such as Yisaipu (益賽普), and developing its new products, such as Trastuzumab (曲妥珠單抗). Instead, it will help to create significant cross-selling opportunities on a global basis. The Acquisition is consistent with and strongly accelerates the Company's vision and strategy to become a China-based, global biopharmaceutical company with a broad and leading portfolio of products and operational efficiency by leveraging its development and manufacturing capacity and its synergistic global CDMO operations.

The Directors (including the independent non-executive Directors) consider that the formation of the Joint Venture and the Acquisition are on normal commercial terms after arm's length negotiations between the respective parties, and the terms of the Shareholders Agreement and the Asset Purchase Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

None of the Directors has a material interest in the formation of the Joint Venture or the Acquisition, and therefore none of them had abstained from voting on the relevant Board resolutions relating to these transactions, or (as applicable to the Shareholders Agreement only) is required to abstain from voting at the extraordinary meeting of the Company on the Independent Shareholders' resolutions, save for Mr. Liu Dong ("Mr. Liu") and Mr. Wang Steven Dasong ("Mr. Wang"), each a non-executive Director holding senior management positions at CITIC Private Equity Funds Management Co., Ltd. (which is a member of CITICPE) ("**CITIC Private Equity Funds Management**"), who have voluntarily abstained from voting on the relevant Board resolutions and, to the extent applicable, will voluntarily abstain from voting at the extraordinary meeting of the Company on the Independent Shareholders' resolutions. Mr. Liu is a managing director of the healthcare sector at CITIC Private Equity Funds Management, and Mr. Wang is a managing director of the pharmaceutical sector at CITIC Private Equity Funds Management, respectively.

## **LISTING RULES IMPLICATIONS**

### **Formation of Joint Venture and grant of Put Option — Major transaction and connected transaction**

As at the date of this announcement, CPE directly and wholly owns CS Sunshine, which in turn holds approximately 24.5% of the issued share capital of the Company. As such, CS Sunshine is a substantial shareholder of the Company, and CPE Funds are associates of CS Sunshine and are therefore connected persons of the Company. Accordingly, the formation of the Joint Venture and the grant of the Put Option under the Shareholders Agreement constitute connected transactions of the Company.

In addition, since 3SBio Parties will own as to 51% of the shareholdings in the Joint Venture and the Buyer will be a wholly-owned subsidiary of the Joint Venture, in respect of which CPE Funds will own as to 49% of the shareholdings in the Joint Venture, both the Joint Venture and the Buyer will become connected subsidiaries of the Company. Accordingly, the provision of the full guarantee by 3SBio Parties of the obligations under the Commercial Loan to be obtained by the Buyer and the provision of the 3SBio Loan to the Buyer, each considered as financial assistance to the Buyer, also constitute connected transactions of the Company.

Since the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the formation of the Joint Venture under the Shareholders Agreement (including the capital commitment by 3SBio Parties, the provision of the full guarantee by 3SBio Parties of the obligations under the Commercial Loan and the provision of the 3SBio Loan, and having taken into account the maximum potential adjustments to the Purchase Price under the Asset Purchase Agreement) exceeds 5% but is less than 25%, the transactions amount to a non-exempt connected transaction subject to the reporting, announcement and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules and a discloseable transaction subject to announcement requirements under Chapter 14 of the Listing Rules. As the Put Option contemplated under the Shareholders Agreement is exercisable at the discretion of CPE Funds and no actual monetary value of the exercise price has been determined, the grant of the Put Option will be classified as at least a major transaction for the Company pursuant to Rule 14.76(1) of the Listing Rules.

The Company will convene an extraordinary general meeting for purposes of, among other matters, seeking approval from the Independent Shareholders with respect to the formation of the Joint Venture contemplated under the Shareholders Agreement.

An independent committee of the Board will be established to advise the Independent Shareholders regarding the Shareholders Agreement and the transactions contemplated thereunder and Lego Corporate Finance Limited, a licensed corporation to conduct type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as an independent financial adviser, has been appointed to advise the independent committee of the Board and the Independent Shareholders in this regard.

A circular containing, among other things, (i) the details of the formation of the Joint Venture under the Shareholders Agreement (including the capital commitment by 3SBio Parties, the grant of the Put Option, the provision of the full guarantee by 3SBio Parties of the obligations under the Commercial Loan and the provision of the 3SBio Loan, and having taken into account the maximum potential adjustments to the Purchase Price under the Asset Purchase Agreement); (ii) a letter of advice from the independent committee of the Board to the Independent Shareholders; (iii) a letter of opinion from the independent financial advisor to the independent committee of the Board and the Independent Shareholders; (iv) the notice convening the extraordinary general meeting and a proxy form; and (v) other information as required to be disclosed under the Listing Rules, will be dispatched to the Shareholders as soon as possible but not later than 13 October 2017, as additional time is required by the Company for the preparation of the relevant information for inclusion in the circular.

### **Acquisition of the CDMO Business — Discloseable transaction**

Since the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition of the CDMO Business contemplated under the Asset Purchase Agreement exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **GENERAL INFORMATION**

### **Information on 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.

### **Information on CITICPE**

CPE and CPE Funds are members of CITICPE, which is a leading Chinese asset management firm focusing on private equity investment. CPE is highly committed to supporting the Company's growth agenda in order to capture the significant growth potential of the CDMO industry.

### **Information on the Buyer**

The Buyer is a corporation incorporated under the laws of Canada, which is a special purpose vehicle set up for the purpose of the Acquisition.

### **Information on the Seller**

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Seller is principally engaged in the business of outsourced pharmaceutical development and manufacturing services, as well as product development business.

**Closing is conditional upon the satisfaction or, if applicable, waiver of the conditions precedent set out in the Shareholders Agreement and the Asset Purchase Agreement. Accordingly, the formation of the Joint Venture, the Acquisition and other transactions contemplated under the Shareholders Agreement and the Asset Purchase Agreement may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“3SBio Parties”	the Company and Thunderpure
“Acquisition”	the proposed acquisition of the CDMO Business from the Seller by the Buyer pursuant to the terms and conditions of the Asset Purchase Agreement
“Adjustment Date”	the fifth Business Day following the close of business on the 20th Business Day following the delivery of the calculation of the Final Working Capital to the Seller, unless a notice of disagreement is given by the Seller or the Buyer in relation to the Final Working Capital, in which event it means the fifth Business Day after any final determination made by an independent accountant of the Final Working Capital in accordance with the terms of the Asset Purchase Agreement
“Asset Purchase Agreement”	the asset purchase agreement entered into between the Buyer and the Seller dated 1 September 2017 in respect of the Acquisition
“associate”	has the meaning ascribed to it under the Listing Rules
“Assumed Liabilities”	any and all liabilities to be assumed by the Buyer for the Acquisition pursuant to the terms of the Asset Purchase Agreement
“Board”	the board of Directors of the Company
“Business Day”	any day of the week, other than a Saturday or Sunday or day on which Canadian chartered banks in Toronto, Ontario and banks in the Hong Kong are authorized or obligated by law to close or are generally closed
“Buyer”	10363782 Canada Inc., a corporation incorporated under the laws of Canada, as at the date of this announcement is owned as to 51% by 3SBio Parties and as to 49% by CPE Funds, which will become an indirect wholly-owned subsidiary of the Joint Venture before Closing

“BVI”	the British Virgin Islands
“C\$”	Canadian dollars, the lawful currency of Canada
“Calculation Time”	11:59 pm on the day immediately preceding the Closing Date
“CDMO”	contract development and manufacturing organisation
“CDMO Business”	the target assets and associated business under the Asset Purchase Agreement relating to the outsourced pharmaceutical development and manufacturing services carried on by the Seller under the mark Therapure Biomanufacturing, the details of which are summarised and set out in “Asset Purchase Agreement — Acquisition of the CDMO Business” in this announcement
“CDMO Employees”	those employees of the Seller included on the list provided by the Seller to the Buyer at the date of the Asset Purchase Agreement and those individuals who are employed by the Seller thereafter to perform duties in respect of the CDMO Business
“CITICPE Holdings”	CITICPE Holdings Limited, a company limited by shares incorporated under the laws of BVI
“CITICPE”	CITICPE Holdings and its associated members, including CITIC Private Equity Funds Management, CPE, CPE Funds and their respective general partners
“Closing”	the completion of the sale to, and the purchase by, the Buyer of the CDMO Business and the completion of all other transactions contemplated by the Asset Purchase Agreement that are to occur contemporaneously with the purchase and sale of the CDMO Business
“Closing Date”	such date that is ten Business Days after the satisfaction or waiver of the conditions set out in the Asset Purchase Agreement, unless another date is agreed to in writing by the Seller and the Buyer, but in no event shall the Closing Date be later than one hundred and twelve (112) days from the date of the Asset Purchase Agreement
“Closing Time”	9:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Buyer and the Seller agree in writing that the Closing shall take place
“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”	has the meaning ascribed to it under the Listing Rules

“Construction Agreement”	the construction agreement to be entered into on or prior to Closing between the Buyer and the Seller, pursuant to which, subject to conditions precedent having been satisfied, the Buyer shall expand the existing commercial facility of the Seller by constructing an additional new facility for the purpose of the commercial manufacture of plasma-related therapeutic products by the Buyer for the Products Business
“CPE”	CPEChina Fund, L.P., an exempt limited partnership registered under the laws of the Cayman Islands and an associate of each of CPE Funds and CS Sunshine
“CPE Funds”	collectively, CPE Fund II, CPE Fund IIA and CPE Fund BVI
“CPE Fund II”	CPEChina Fund II, L.P., a limited partnership registered under the laws of Cayman Islands
“CPE Fund IIA”	CPEChina Fund IIA, L.P., a limited partnership registered under the laws of Cayman Islands
“CPE Fund BVI”	CT Biomanufacturing Limited, a company established under the laws of the BVI
“CS Sunshine”	CS Sunshine Investment Limited, a company limited by shares incorporated in the BVI, which is wholly-owned by CPE and holds approximately 24.5% of the issued share capital of the Company as at the date of this announcement
“Directors”	the director(s) of the Company
“EBITDA”	earnings before interest, tax, depreciation and amortization
“Final Working Capital”	in relation to the adjustments to the Purchase Price, means the current assets of the CDMO Business minus the current liabilities of the CDMO Business, as at the Calculation Time, as calculated by the Buyer in consultation with the Seller and delivered to the Seller pursuant to the Asset Purchase Agreement
“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 PRC
“ICA”	the Investment Canada Act (Canada), R.S.C. c.28 (1st Supp.)
“ICA Clearance”	the satisfaction of certain filing obligations and process required under the ICA for the completion of the Asset Purchase Agreement in accordance with the terms therein

“IFRS”	International Financial Reporting Standards as issued by the International Accounting Standards Board, or any successor entity thereto, applicable as at the date on which such principles are to be applied or on which any calculation or determination is required to be made
“Independent Shareholder(s)”	the Shareholder(s) (other than CS Sunshine and its associates) who are not required to abstain from voting on any resolution to be proposed at the extraordinary general meeting of the Company to approve the formation of the Joint Venture under the Shareholders Agreement that is required for the completion of the Acquisition
“Joint Venture”	a company to be established by 3SBio Parties and CPE Funds pursuant to the terms of the Shareholders Agreement which will become the indirect sole shareholder of the Buyer before Closing
“Joint Venture Group”	the Joint Venture and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Prime Rate”	the rate of interest expressed as a rate per annum that the Bank of Nova Scotia establishes at its head office in Toronto as the reference rate of interest that it will charge on that day for Canadian dollar demand loans to its customers in Canada and which it at present refers to as its prime rate
“Products Business”	the Seller’s proprietary product development business carried on under the marks Therapure Biologics and Therapure Innovations
“Put Option”	the put option granted by 3SBio Parties to CPE Funds under the Shareholders Agreement
“Purchase Price”	the consideration to be paid by the Buyer to the Seller for the CDMO Business
“Seller”	Therapure Biopharma Inc., a corporation governed by the laws of Ontario, Canada
“Shareholders”	the holder(s) of the shares of the Company

“Shareholders Agreement”	the shareholders agreement entered into between 3SBio Parties and CPE Funds dated 1 September 2017 in respect of the formation of the Joint Venture
“Sirton”	Sirton Pharmaceuticals S.p.A, a company with limited liability incorporated in Italy and a 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) (formerly known as Shanghai CP Guojian Pharmaceutical Co., Ltd.), a subsidiary of the Company
“Thunderpure”	Thunderpure International Limited, a company established under the laws of the BVI, a wholly-owned subsidiary of the Company as at the date of this announcement
“US\$”	United States dollars, the lawful currency of the United States of America
“Working Capital Target”	(C\$2,000,000)
“%”	per cent

*For the purpose of this announcement, unless otherwise indicated, the exchange rates of US\$1.00 = HK\$7.8212 and C\$1.00 = HK\$6.1940 have been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such rate or any other rate or at all on the date or dates in question or any other date. All numbers converted are approximate numbers only and subject to rounding-off adjustments.*

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

Shenyang, the PRC  
3 September 2017

*As at the date of this announcement, the directors of the Company are Dr. 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.*