三生制药
3SBIO INC.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1530)

(Convertible Bonds Code: 5241)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

FINANCIAL HIGHLIGHTS

- Revenue[1] increased by approximately RMB937.0 million or approximately 33.5% to approximately RMB3,734.3 million.
- Gross profit[1] increased by approximately RMB663.1 million, or approximately 27.7% to approximately RMB3,058.1 million, and gross profit margin was approximately 81.9%.
- EBITDA[1] increased by approximately RMB332.4 million or approximately 29.0% to approximately RMB1,476.8 million. Normalized EBITDA[1,2] increased by approximately RMB293.7 million or approximately 25.5% to approximately RMB1,445.5 million.
- Net profit attributable to owners of the parent[1] increased by approximately RMB222.8 million or approximately 31.3% to approximately RMB935.4 million. Normalized net profit attributable to owners of the parent[1,3] increased by approximately RMB184.1 million or approximately 25.6% to approximately RMB904.0 million.

Notes:

1 The financial information of Shanghai CP Guojian Pharmaceutical Co., Ltd. (now known as Sunshine Guojian Pharmaceutical (Shanghai) Co., Ltd. (三生國健藥業（上海）股份有限公司), "**Sunshine Guojian**") was consolidated into the Group's financial statements since 1 April 2016.

2 The normalized EBITDA is defined as the EBITDA for the period excluding, as applicable: (a) the expenses incurred in relation to the issuance of the Bonds (as defined below); (b) the option expenses associated with options granted on 2 February 2017; (c) the expenses incurred in relation to the acquisition of a contract development and manufacturing ("**CDMO**") business in Canada; (d) the income associated with the disposal of the equity shares in Ascentage Jiangsu Pharmaceutical Group Co., Ltd. ("**Ascentage Jiangsu**") and Hong Kong Ascentage Pharma Group Co., Ltd. (together with Ascentage Jiansu, "**Ascentage Group**"); (e) the expenses incurred in relation to the acquisition of Sunshine Guojian and the exclusive license agreement with certain subsidiary of AstraZeneca PLC ("**AstraZeneca**"); (f) the warrant expenses associated with the warrants granted to the management of Sunshine Guojian (the "**Sunshine Guojian Warrants**") on 1 January 2015; (g) the income associated with the fair value gain of the approximately 28.8% equity interests in Sunshine Guojian previously acquired by the Group in 2014 and 2015, and (h) the income associated with the gain on deemed disposal of investments in an associate (namely Ascentage Jiangsu).

3 The normalized net profit attributable to owners of the parent is defined as the profit attributable to owners of the parent for the period excluding the same items as listed in Note 2 above.

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of 3SBio Inc. ("**3SBio**" or the "**Company**") is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2017, together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2017

	Notes	**2017** ***RMB'000***	2016 *RMB'000*
REVENUE	5	**3,734,334**	2,797,289
Cost of sales	6	**(676,235)**	(402,268)
Gross profit		**3,058,099**	2,395,021
Other income and gains	5	**195,793**	215,594
Selling and distribution expenses		**(1,332,703)**	(1,017,196)
Administrative expenses		**(315,105)**	(301,236)
Other expenses	6	**(348,275)**	(282,223)
Finance costs	7	**(141,350)**	(147,710)
Share of profits and losses of associates		**(14,442)**	(12,182)
PROFIT BEFORE TAX		**1,102,017**	850,068
Income tax expense	8	**(177,613)**	(135,814)
PROFIT FOR THE YEAR		**924,404**	714,254
Attributable to:			
Owners of the parent		**935,389**	712,564
Non-controlling interests		**(10,985)**	1,690
		924,404	714,254
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
— Basic (RMB)	10	**0.37**	0.28
— Diluted (RMB)	10	**0.36**	0.28

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2017

	2017	2016
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**924,404**	714,254
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Change in fair value, net of tax	**(4,450)**	19,858
Reclassification adjustments for gains included in the consolidated statement of profit or loss		
— gain on disposal, net of tax	**—**	(21,504)
Exchange differences:		
Exchange differences on translation of foreign operations	**(124,896)**	192,597
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	**(129,346)**	190,951
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	**(129,346)**	190,951
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**795,058**	905,205
Attributable to:		
Owners of the parent	**806,043**	903,515
Non-controlling interests	**(10,985)**	1,690
	795,058	905,205

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2017

	Notes	**2017** ***RMB'000***	2016 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**1,759,669**	1,762,813
Prepaid land lease payments		**306,557**	298,632
Goodwill		**3,923,598**	4,126,180
Other intangible assets		**2,253,516**	2,288,500
Investments in a joint venture		**—**	134
Investments in associates		**33,510**	85,575
Available-for-sale investments		**48,333**	50,000
Long-term receivables		**35,372**	79,517
Prepaid expenses and other receivables		**39,837**	40,926
Deferred tax assets		**76,363**	65,794
Total non-current assets		**8,476,755**	8,798,071
CURRENT ASSETS			
Inventories		**376,529**	262,438
Trade and notes receivables	11	**1,324,084**	785,543
Prepaid expenses and other receivables		**459,251**	140,981
Available-for-sale investments		**704,564**	362,172
Derivative financial instruments		**1,322**	2,613
Cash and cash equivalents	12	**2,398,621**	677,598
Pledged deposits	12	**11,845**	9,386
Total current assets		**5,276,216**	2,240,731
CURRENT LIABILITIES			
Trade and bills payables	13	**274,568**	58,792
Other payables and accruals		**695,898**	502,070
Deferred income		**26,671**	25,020
Interest-bearing bank and other borrowings	14	**1,087,466**	518,461
Tax payable		**111,206**	39,276
Total current liabilities		**2,195,809**	1,143,619
NET CURRENT ASSETS		**3,080,407**	1,097,112
TOTAL ASSETS LESS CURRENT LIABILITIES		**11,557,162**	9,895,183

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

31 December 2017

	Note	**2017** ***RMB'000***	2016 *RMB'000*
TOTAL ASSETS LESS CURRENT LIABILITIES		**11,557,162**	9,895,183
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	14	**1,046,791**	2,540,682
Convertible bonds		**2,271,874**	—
Deferred income		**310,410**	269,980
Deferred tax liabilities		**280,268**	294,396
Other non-current liabilities		**18,173**	23,783
Total non-current liabilities		**3,927,516**	3,128,841
Net assets		**7,629,646**	6,766,342
EQUITY			
Equity attributable to owners of the parent			
Share capital		**156**	155
Share premium		**4,372,460**	4,367,719
Other reserves		**3,024,172**	2,154,625
		7,396,788	6,522,499
Non-controlling interests		**232,858**	243,843
Total equity		**7,629,646**	6,766,342

NOTES:

1. CORPORATE AND GROUP INFORMATION

3SBio Inc. was incorporated in the Cayman Islands as an exempted company with limited liability under the Cayman Islands Companies Laws on 9 August 2006. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 11 June 2015.

The Company is an investment holding company. During the year, the subsidiaries of the Company were principally engaged in the development, production, marketing and sale of pharmaceutical products in the People's Republic of China (the "**PRC**" or "**China**") except for Hong Kong and Macau **("Mainland China")**.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) issued by the International Accounting Standards Board ("**IASB**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instrument, available-for-sale investments and certain financial assets which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2017. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

Amendments to IAS 7	*Disclosure Initiative*
Amendments to IAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Amendments to IFRS 12 included in *Annual Improvements to IFRSs 2014-2016 Cycle*	*Disclosure of Interests in Other Entities: Clarification of the Scope of IFRS 12*

The nature and the impact of the amendments are described below:

(a) Amendments to IAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendments, entities are not required to provide comparative information for preceding periods.

(b) Amendments to IAS 12 clarify that an entity, when assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The Group applied the amendments retrospectively. However, the amendments have had no impact on the financial position or performance of the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

(c) Amendments to IFRS 12 clarify that the disclosure requirements in IFRS 12, other than those disclosure requirements in paragraphs B10 to B16 of IFRS 12, apply to an entity's interest in a subsidiary, a joint venture or an associate, or a portion of its interest in a joint venture or an associate that is classified as held for sale or included in a disposal group classified as held for sale. The Group applied the amendments retrospectively. However, the amendments have had no impact on the Group's financial statements as the Group had no interests in other entities that are in the scope of the amendments.

4. OPERATING SEGMENT INFORMATION

The Group has only one operating segment, which is the development, production, marketing and sale of biopharmaceutical products.

Geographical information

(a) Revenue from external customers

	2017	2016
	RMB'000	*RMB'000*
Mainland China	**3,597,340**	2,684,323
Others	**136,994**	112,966
	3,734,334	2,797,289

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2017	2016
	RMB'000	*RMB'000*
Mainland China	**6,513,978**	6,543,900
Others	**1,802,709**	2,058,260
	8,316,687	8,602,160

The non-current assets information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

The Group's customer base is diversified and no revenue from transation with a significant customer amounted of 10% or more of the Group's total revenue during the year.

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of revenue, other income and gains is as follows:

	2017	2016
	RMB'000	*RMB'000*
Revenue		
Sale of goods	**3,749,485**	2,810,622
Less: Tax and government surcharges	**(15,151)**	(13,333)
	3,734,334	2,797,289
Other income		
Government grants related to		
— Assets	**24,744**	18,897
— Income	**27,346**	53,052
Interest income	**21,769**	23,957
Technical service income	**9,121**	6,233
Licensing income	**—**	13,285
Distribution received from an associate	**—**	2,192
Others	**9,431**	3,486
	92,411	121,102
Gains		
Gain on disposal of investments in an associate	**103,382**	—
Gain on deemed disposal of an investment in an associate	**—**	66,871
Gain on disposal of available-for-sale investments	**—**	21,504
Fair value gain on the revaluation of investment in an associate	**—**	6,117
	103,382	94,492
	195,793	215,594

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2017	2016
	RMB'000	*RMB'000*
Cost of inventories sold	**676,235**	402,268
Depreciation of items of property, plant and equipment	**128,453**	102,338
Amortisation of other intangible assets	**115,242**	58,662
Recognition of prepaid land lease payments	**7,901**	6,503
Amortisation of long-term deferred expenditures	**3,622**	3,059
Operating lease expenses	**11,014**	9,586
Auditors' remuneration	**8,560**	9,130
Employee benefit expenses (excluding Directors' and chief executive's remuneration):		
Wages, salaries and staff welfare	**681,563**	439,712
Equity-settled compensation expenses	**18,324**	(5,307)
Pension scheme contributions	**52,284**	40,017
Social welfare and other costs	**68,050**	53,831
	820,221	528,253
Other expenses and losses:		
Research and development costs	**257,310**	243,006
Donation	**23,385**	8,738
Foreign exchange differences	**22,166**	23,091
Provision for impairment of investments in associates	**—**	1,355
Loss on disposal of items of property, plant and equipment	**14,257**	1,273
Addition/(reversal) of provision for impairment of trade receivables	**15,386**	(3,022)
Reversal of provision for impairment of other receivables	**(485)**	(869)
Technical service costs	**8,486**	1,058
Fair value loss on derivative financial instruments	**1,177**	2,935
Loss on disposal of an investment in a joint venture	**134**	—
Others	**6,459**	4,658
	348,275	282,223

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2017	2016
	RMB'000	*RMB'000*
Interests on bank borrowings	**109,959**	147,710
Interests on convertible bonds	**31,391**	—
	141,350	147,710

8. INCOME TAX

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the relevant rules and regulations of the Cayman Islands and the British Virgin Islands (**"BVI"**), the Company and the subsidiaries of the Group incorporated therein are not subject to any income tax in the Cayman Islands and the BVI.

No provision for Hong Kong profits tax has been made during the year as the Group had no assessable profits arising in Hong Kong.

Under the relevant PRC income tax law, except for Shenyang Sunshine Pharmaceutical Company Limited (**"Shenyang Sunshine"**), Shenzhen Sciprogen Bio-pharmaceutical Co., Ltd. (**"Sciprogen"**), Zhejiang Wansheng Pharmaceutical Co., Ltd. (**"Zhejiang Wansheng"**) and Sunshine Guojian which enjoy certain preferential treatment available to them, the PRC subsidiaries of the Group are subject to income tax at a rate of 25% on their respective taxable income.

Shenyang Sunshine, Sciprogen, Zhejiang Wansheng and Sunshine Guojian are qualified as High and New Technology Enterprises and are entitled to a preferential income tax rate of 15%.

In accordance with relevant Italian tax regulations, Sirton Pharmaceuticals S.p.A. ("**Sirton**") is subject to income tax at a rate of 27.9% (2016: 31.4%).

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors.

An analysis of the provision for tax in the financial statements is as follows:

	2017	2016
	RMB'000	*RMB'000*
Current	**202,143**	145,674
Deferred	**(24,530)**	(9,860)
Total tax charge for the year	**177,613**	135,814

The effective tax rate of the Group for the year ended 31 December 2017 was 16.1% (2016: 16.0%).

9. DIVIDENDS

	2017	2016
	RMB'000	*RMB'000*
Proposed and declared dividend	**140,308**	—

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the annual general meeting to be held on 20 June 2018.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 2,535,303,101 (2016: 2,524,049,681) in issue during the year, as adjusted to reflect the issue of ordinary shares during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the convertible bonds. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of basic and diluted earnings per share are based on:

	2017	2016
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent	**935,389**	712,564
Interest on convertible bonds	**31,391**	—
Profit attributable to ordinary equity holders of the parent before interest on convertible bonds	**966,780**	712,564

	2017	2016
Shares		
Weighted average number of ordinary shares in issue during the year	**2,535,303,101**	2,524,049,681
Effect of dilution-weighted average number of ordinary shares:		
Warrants	**32,957,466**	39,440,661
Convertible bonds	**85,286,782**	—
	2,653,547,349	2,563,490,342

11. TRADE AND NOTES RECEIVABLES

	2017	2016
	RMB'000	*RMB'000*
Trade receivables	**1,212,782**	688,396
Notes receivable	**138,309**	108,767
	1,351,091	797,163
Provision for impairment of trade receivables	**(27,007)**	(11,620)
	1,324,084	785,543

The Group's trading terms with its customers are mainly on credit. The credit period is generally two months, extending up to three months for major customers. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	2017	2016
	RMB'000	*RMB'000*
Within 1 month	**662,643**	286,241
1 to 3 months	**436,021**	356,288
4 to 6 months	**25,366**	20,392
6 months to 1 year	**61,745**	13,855
1 to 2 years	**18,525**	4,547
Over 2 years	**8,482**	7,073
	1,212,782	688,396

12. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	2017	2016
	RMB'000	*RMB'000*
Cash and bank balances	**2,396,410**	674,380
Restricted cash	**2,211**	3,218
Pledged deposits	**11,845**	9,386
	2,410,466	686,984
Less:		
Pledged deposits for letters of credit	**(263)**	(3,499)
Pledged deposits for short-term bank borrowings	**—**	(5,887)
Pledged deposits for bank acceptance bills	**(11,582)**	**—**
Cash and cash equivalents	**2,398,621**	677,598

13. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period is as follows:

	2017	2016
	RMB'000	*RMB'000*
Within 3 months	**88,458**	44,154
3 to 6 months	**179,505**	6,833
Over 6 months	**6,605**	7,805
	274,568	58,792

The trade and bills payables are non-interest-bearing and repayable within the normal operating cycle or on demand.

14. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2017			2016		
	Effective interest rate(%)	***Maturity***	***RMB'000***	*Effective interest rate(%)*	*Maturity*	*RMB'000*
Current						
Bank loans — unsecured	**4.13**	**2018**	**100,000**	—	—	—
Bank loans — secured	**4.13**	**2018**	**200,000**	2.5-4.35	2017	218,461
Current portion of long term bank loans-secured	**4.2**	**2018**	**787,466**	2.5	2017	300,000
			1,087,466			518,461
Non-current						
Other secured bank loans	**4.2-4.65**	**2019-2021**	**1,046,791**	2.5-6.72	2019-2021	2,540,682
			1,046,791			2,540,682
Convertible bonds	**2.5**	**2017-2022**	**2,271,874**	—	—	—
			2,271,874			—
			4,406,131			3,059,143

	2017	2016
	RMB'000	*RMB'000*
Analysed into:		
Bank loans and overdrafts repayable:		
Within one year or on demand	**1,087,466**	518,461
In the second year	**496,791**	845,709
In the third to fifth years, inclusive	**550,000**	1,694,973
	2,134,257	3,059,143

Notes:

(a) The bank borrowings bear interest at fixed interest rates ranging from 4.13% to 4.65% per annum.

(b) (i) As at 31 December 2017, the Group has no prepaid land lease payment, property, plant and equipment pledged (2016: RMB45,994,000);

(ii) As at 31 December 2017, the Group has no pledge of deposits for the bank borrowings (2016: RMB5,887,000);

(iii) As at 31 December 2017, the Group has no pledge of notes receivable (2016: RMB30,940,000); and

(iv) The bank borrowings are secured by 31.76% of the equity interests in Sunshine Guojian held by Shanghai Xingsheng Pharmaceutical Company Limited, 100% of the equity interests in Shenyang Sunshine held by Hongkong Sansheng Medical Limited ("**Hongkong Sansheng**") and 43.42% of the equity interests in Sunshine Guojian held by Full Gain Limited.

(c) As at 31 December 2017, except for a secured bank borrowing of RMB1,284,257,000 (2016: RMB1,867,143,000) which was denominated in HKD, all the bank borrowings were denominated in RMB.

(d) The carrying amounts of the bank borrowings approximate to their fair values.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Overview

3SBio 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. The core products of the Group include TPIAO (特比澳), Yisaipu (益賽普), recombinant human erythropoietin ("**rhEPO**") products of EPIAO (益比奧) and SEPO (賽博爾), all four products being market leaders in China. TPIAO is the only commercialized recombinant human thrombopoietin ("**rhTPO**") product in the world. According to the data of IMS Health Inc. ("**IMS**"), the China market share of TPIAO increased to 51.0% for the treatment of thrombocytopenia in 2017. Yisaipu is a Tumour Necrosis Factor ("**TNF**") α inhibitor product with a dominant market share in China of 60.4% in 2017, according to IMS. According to IMS, with its two rhEPO products, namely, EPIAO and SEPO, the Group has been the dominant market leader in the China rhEPO market for more than a decade, with a total market share of 41.6% in 2017. The Group has established presence in the diabetes treatment area through the collaboration with AstraZeneca and Lilly China; and the Group started to consolidate Byetta and Humulin (優泌林) ("**Humulin**"), two products licensed from the collaboration partners, in its accounts from 11 October 2016 and 1 July 2017, respectively.

Key Events

On 5 January 2017, 3SBio announced that Pegsiticase, a pegylated recombinant uricase (聚乙二醇化重組尿酸氧化酶) and one of the Group's products, had received the approval of the Investigational New Drug ("**IND**") application for clinical trials from the China Food and Drug Administration (the "**CFDA**"). Pegsiticase is a pegylated recombinant uricase derived from Candida utilis, modified by the attachment of multiple 20 kilodalton molecules of polyethylene glycol (PEG). The Group owns its global intellectual property and has licensed out the rights in the United States to Selecta Biosciences, Inc. (NASDAQ: SELB) (the "**Selecta**").

The Ministry of Human Resources and Social Security of the PRC released the 2017 National Reimbursement Drug List ("**NRDL**") on 23 February 2017. Three of the Group's products, namely Yisaipu, TPIAO and Qiming Keli (芪明顆粒), were included in the NRDL. The Group is of the view that this development will enhance its penetration into the hospitals in its coverage and allow its further expansion to lower-tier cities and hospitals, which will in turn enable the Group to satisfy treatment needs by providing affordable and high quality medicines to a wider patient base.

On 21 March 2017, Dr. LOU Jing, the Chairman of the Board, entered into a share purchase agreement (the "**SPA**") with CS Sunshine Investment Limited (the "**CITIC Fund**"), an existing shareholder of the Company. Pursuant to the SPA, Dr. LOU Jing agreed to purchase, and the CITIC Fund agreed to sell, 41,746,000 shares of the Company, representing approximately 1.65% of the total issued share capital of the Company as at 21 March 2017, at HK$9.50 per share. The transaction was completed on 28 April 2017.

On 16 May 2017, 3SBio announced that its subsidiaries had entered into a strategic cooperation agreement with two subsidiaries of Eli Lilly and Company (NYSE: LLY) ("**Lilly**"), namely, Lilly China and its affiliate, pursuant to which, the Group has been granted the exclusive right of distribution and promotion of Humulin, an insulin product of Lilly, in China from 1 July 2017 onwards. Pursuant to the agreement, leveraging on its nationwide sales network and its existing metabolic disease related resources, the Group has established a marketing and promotion team which will cover a wide array of diabetes products (including Humulin). Lilly China will be responsible for the production and supply of the Humulin products produced in accordance with its global quality standards. Both parties have been cooperating closely with a smooth transition.

The Group received an approval from the CFDA to conduct clinical trials for additional indications of TPIAO for the treatments of surgery patients with hepatic dysfunction at the risk of thrombocytopenia on 24 May 2017. In addition, as announced on 22 February 2018, the Group had received an approval from the CFDA to conduct clinical trials for the pediatric immune thrombocytopenia (immune thrombocytopenia, "**ITP**") indication.

As announced on 9 June 2017, the Group had received the marketing authorization for EPIAO (authorization no. UA/15976/01/03) from the Ministry of Health of Ukraine. The authorization is valid for the entire territory of Ukraine until 13 May 2022. Ukraine is a member of the Pharmaceutical Inspection Co-operation Scheme (the "**PIC/S**"). PIC/S is a non-binding and informal co-operative arrangement between regulatory authorities in the field of Good Manufacturing Practices of medicinal products for human or veterinary use. PIC/S presently comprises 52 participating authorities from Europe, Africa, America, Asia and Australia. The marketing authorization received from a PIC/S member will facilitate the review process by other PIC/S members and benefit the Group's products registration in PIC/S countries and its further expansion into the highly regulated markets.

The Group, through Strategic International Group Limited, a direct wholly-owned subsidiary of the Company, conducted an international offering of the Euro-denominated zero-coupon convertible bonds ("**Bonds**") in an aggregate principal amount of €300,000,000 due 2022, which is unconditionally and irrevocably guaranteed by the Company. The issue of the Bonds was completed on 21 July 2017. The listing of and permission to deal in the Bonds became effective on 24 July 2017. The successful issue of the Bonds represents an opportunity for 3SBio to improve the liquidity position of the Group, to reduce the financing costs of the Group and to raise further working capital of the Group. Further information regarding the Bonds is provided in 3SBio's announcements made on 12 July 2017, 13 July 2017 and 21 July 2017, respectively.

On 1 September 2017, the Group entered into a shareholders agreement with certain funds (collectively as "**CPE Funds**") associated with CITIC Fund, a substantial shareholder of the Company, pursuant to which, a joint venture (the "**CDMO JV**") was established. The Group and CPE Funds seek to position the CDMO JV as a global, comprehensive and biologics-focused CDMO platform. On the same date, the CDMO JV entered into an asset purchase agreement with a Canada-based biologics manufacturer, Therapure Biopharma Inc., to acquire its CDMO business ("**CDMO Acquisition**"), Therapure Biomanufacturing, for 290 million United States Dollars ("**USD**"). The shareholders of the Company have approved the transactions contemplated under the two agreements. The closing of the CDMO Acquisition is currently pending, subject to the fulfillment of certain conditions, and is expected to be completed by no later than 30 April 2018.

Through this CDMO Acquisition, the Group intends to enter the North America biopharmaceutical sector, an important milestone towards the Group's strategy of building a leading global biologics business. The CDMO acquisition will enable the Group to significantly enhance its connections with global biotechnology and pharmaceutical companies, and potentially explore diverse strategic partnerships and license innovative products across the world. At the same time, the expansion of the Group's CDMO business is expected to optimize the utilization of its manufacturing assets, enhance its own technical capabilities and improve its financial profile. For further information in respect of the CDMO Acquisition and the related matters, please refer to the circular of the Company dated 25 October 2017 and the announcements of the Company dated 3 September 2017 and 27 December 2017.

As announced on 11 October 2017, one of the Group's product candidates, a recombinant humanized anti-vascular endothelial growth factor ("**VEGF**") monoclonal antibody ("**mAb**") for injection (重組人源化抗血管內皮細胞生長因子單克隆抗體注射液, coded as 601a by the Group) had been granted an approval by the CFDA in respect of IND application for clinical trials. The Group intends to develop 601a for the treatment of neovascular age-related macular degeneration ("**AMD**"), and is currently actively preparing for the clinical trials.

On 7 November 2017, the Sunshine Guojian facility of the Group received a Qualified Person's Declaration Equivalence to the EU Guidelines for Good Manufacturing Practice ("**EU GMP**") for Investigation Medicinal Products Manufactured in Third Countries with respect to Yisaipu. The Qualified Person's declaration is an important component of the EU GMP regulatory regime. This declaration attests to the high quality of Yisaipu as assessed under the EU standards and the good adherence of the Yisaipu manufacturing facility to the EU standards.

Key Events after the Reporting Period

As announced on 4 January 2018, one of the Group's in-licensed products, China's first Glucagon-like peptide-1 (the "**GLP-1**") receptor agonist weekly preparation Bydureon (generic name Exenatide Microsphere for injection) had been approved by the CFDA as a new treatment option to improve glycemic control for patients with type-2 diabetes. As the first and currently the only GLP-1 medicine in China administered once-weekly, Exenatide Microsphere can reduce the frequency of dosing, reduce gastrointestinal adverse effects, increase drug stability and improve patient compliance by continuing to provide steady-state levels of Exenatide with sustained release microsphere technology. This product was licensed to the Group by AstraZeneca in October 2016. The Group is actively preparing for the product launch and it is expected to be launched in the second quarter of 2018.

As announced on 15 January 2018, 3SBio's wholly-owned subsidiary, Hongkong Sansheng and Toray Industries, Inc. ("**Toray**") entered into an exclusive licensing agreement (the "**Agreement**") on certain oral disintegration tablet formulation of antipruritic drug TRK-820 (as under Toray development code, which generic name is nalfurafine hydrochloride, also known as "REMITCH" as approved in Japan) that is developed and manufactured by Toray. Pursuant to the Agreement, Toray agreed to grant Hongkong Sansheng the exclusive right to develop and commercialize this product in the Mainland China. Hongkong Sansheng agreed to pay initial payment and milestone payments to Toray.

Key Products

TPIAO is the Group's self-developed proprietary product, and has been the only commercialized rhTPO product in the world since its launch in 2006. TPIAO has been approved by the CFDA for two indications: the treatment of chemotherapy-induced thrombocytopenia ("**CIT**") and ITP. TPIAO has the advantages of higher efficacy, faster platelet recovery and fewer side effects as compared to alternative treatments for CIT and ITP. In "The Consensus of China Experts on Diagnosis and Treatment of Adult Primary Immune Thrombocytopenia" (2016 Version), rhTPO products are included as the first choice recommendation for the second line treatments list, and are recommended among the medicines to boost platelet production in certain emergencies cases. TPIAO is included in the 2017 NRDL as a Class B Drug (No. 214) for the treatment of severe CIT in patients with solid tumors or ITP. TPIAO has experienced significant sales growth due to increasing physician awareness of its safety and efficacy as a treatment for CIT and ITP and its quick adoption in China. The inclusion in the 2017 NRDL also led to accelerated growth for TPIAO in the fourth quarter of 2017, as the 2017 NRDL was implemented from September 2017 onwards. The Group believes that TPIAO is still at an early stage of its product life cycle. The Group estimates that the penetration rates for both CIT and ITP indications in China may be approximately 14.4% to 17.4%. Currently, the majority of the Group's sales of TPIAO is generated from approximately 10% of the hospitals covered by the Group's sales team. On 24 May 2017, the Group received an approval from the CFDA to conduct clinical trials for TPIAO for the treatment of surgery patients with hepatic dysfunction at the risk of thrombocytopenia. In addition, TPIAO has received an approval from the CFDA to conduct clinical trials for pediatric ITP indication in February 2018. TPIAO received marketing authorization from the Ministry of Public Health of Ukraine, a PIC/S member, for the treatment of CIT in patients with solid tumors on 24 June 2016.

Yisaipu, generically known as Etanercept, is a TNF α inhibitor product. It was first launched in 2005 in China for rheumatoid arthritis ("**RA**"). Its indications were expanded to ankylosing spondylitis ("**AS**") and psoriasis in 2007. The Group actively participated and helped to develop an experts consensus titled "The Experts Consensus on the Treatment of Childhood Idiopathic Arthritis", published on the Journal of Clinical Pediatrics (2011, 29(6), pages 587–591); in addition, the Group actively participated in the works related to "The Rheumatoid Arthritis Treatment Guidance" and "The Ankylosing Spondylitis Treatment Guidance", both authoritative documents issued by the China Medical Association, and Yisaipu is adopted in the two guidances under 'Etanercept' as one of the RA and AS treatment options. Yisaipu is included in the 2017 NRDL as a Class B Drug (No. 846) for the treatment of patients with confirmed diagnosis of RA, and for the treatment of patients with confirmed diagnosis of AS (not including pre-radiographic axial spondyloarthritis), each subject to certain medical prerequisites. Yisaipu has experienced significant growth as the first-to-market Etanercept product in China, with a dominant market share in China of 60.4% by sales in 2017, according to IMS. The sales coverage of Yisaipu extends to more than 2,500 hospitals in China, including over 1,000 Grade III hospitals. The inclusion in the 2017 NRDL also led to accelerated growth of Yisaipu in the fourth quarter of 2017, as the 2017 NRDL was implemented from September 2017 onwards. The Group believes that Yisaipu is still at an early stage of its product life cycle. The Group estimates that the penetration rates for RA and AS in China are each less than 5%. Currently, the majority of the Group's sales of Yisaipu is generated from approximately 8% of the hospitals covered by the Group's sales team. The prefilled syringe of Yisaipu in the Group's pipeline is the only product of its kind in China, of which the Group has completed the Phase III trial and is expecting to apply for manufacturing approval in the second quarter of 2018. The Group is of the view that the prefilled syringe of Yisaipu will improve patients convenience and contribute to further growth of Yisaipu.

Yisaipu has been approved in 11 countries and is in the process of being registered in 19 countries. On 7 November 2017, the Group's manufacturing facility for Yisaipu received a Qualified Person's Declaration Equivalence to EU GMP for Investigation Medicinal Products manufactured in Third Countries. This declaration attests to the high quality of Yisaipu as assessed under the EU standards and the good adherence of the Yisaipu manufacturing facility to the EU standards.

EPIAO is still the only rhEPO product approved by the CFDA for three indications: the treatment of anemia associated with chronic kidney disease ("**CKD**"), the treatment of chemotherapy-induced anemia ("**CIA**") and the reduction of allogeneic blood transfusion in surgery patients. EPIAO is included in the NRDL as a category B drug in China since 2000. EPIAO has consistently been the dominant market leader in China rhEPO market since 2002 in terms of both volume and value. EPIAO is the only rhEPO product in China available at 36,000 IU (international unit per vial) dosage, and together with SEPO, claims the majority of the China rhEPO market share at 10,000 IU dosage. Future growth for EPIAO may be driven by: (1) the increase of the dialysis penetration rate among stages IV and V CKD patients, which the Group believes is substantially lower in China as compared with other countries; and (2) the increase in the applications of EPIAO in reducing allogeneic blood transfusion and in CIA oncology indication in China, which the Group believes at a very early stage of growth. With contribution from the second brand of the Group's rhEPO products, SEPO, market coverage of the Group's rhEPO products has expanded in Grade II and Grade I hospitals, where sales of its rhEPO products have been experiencing significant growth. The Group expects that SEPO will continue to gain market share in the rhEPO market. As announced on 9 June 2017, the Group received the marketing authorization for EPIAO in Ukraine, a PIC/S member country. The multi-center biosimilar clinical trials for EPIAO in Russia and Thailand have made good progress, with patients recruitment for the maintenance period to be completed by the end of 2018. The trials are expected to be completed by 2019. The Group plans to include Ukrine in the multi-center clinical trials in 2018 to expedite the patients enrollment.

Humulin was the first bio-synthetic human insulin product in the world and was also the first medical product for human produced by recombinant DNA technology. Humulin is licensed from Lilly, and the Group has started to record the revenue of Humulin since July 2017. Diabetes is a major chronic disease in China, and China has the largest diabetes patient population in the world. The Group is of the view that Human insulin being included in the 2017 NRDL as a Class A Drug and the establishment and implementation of the tiered medical service system will lead to the further growth of the human insulin in lower tier market in China.

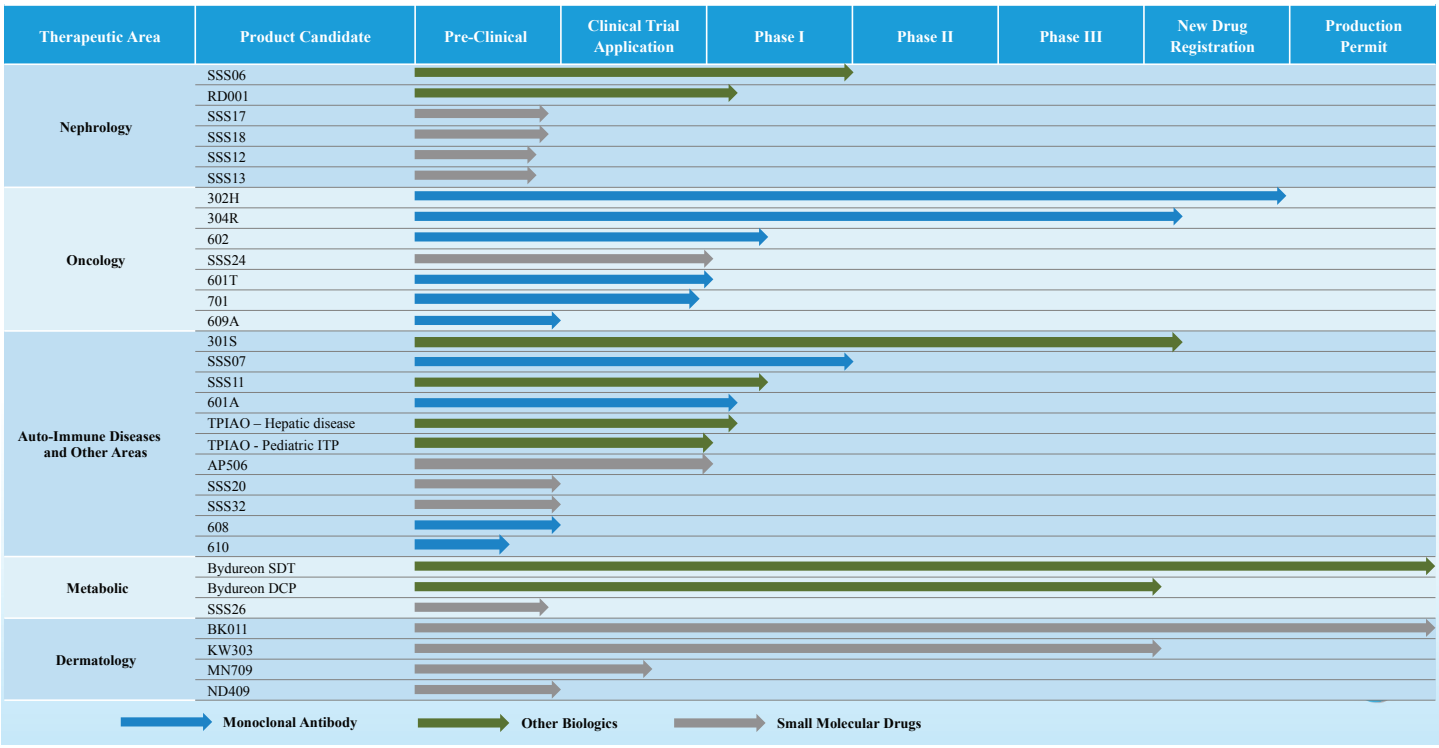
Byetta, generically known as "Exenatide injection", is an injectable GLP-1 receptor agonist, administered twice daily as an adjunct to diet and exercise to improve glycemic control in adults with type-2 diabetes mellitus, which is indicated for treatment of patients who have not achieved adequate glycaemic control on metformin, sulphonylureas, or metformin plus sulphonylureas. Byetta is licensed from AstraZeneca, and the Group has started to record the revenue of Byetta since October 2016. Bydureon, the weekly administered GLP-1 product, received the CFDA approval in December 2017. The Group is actively preparing for the product launch and it is expected to be launched in the second quarter of 2018.

Qiming Keli, Man Di (蔓迪), Di Su (迪蘇) and Lai Duo Fei (萊多菲) are a group of dermatology and ophthalmology drugs, indicated to treat diabetic retinopathy, alopecia areata, chronic bronchitis and chronic idiopathic urticaria, respectively. Qiming Keli is included in the 2017 NRDL as a Class B Traditional Chinese Medicine (No. 1004) for the treatment of non-proliferative retinopathy caused by type-2 diabetes.

Product Pipeline

As at 31 December 2017, amongst the 31 product candidates within the Group's active pipeline, 16 were being developed as National Class I New Drugs (國家一類新藥) in China. The Group has seven product candidates in oncology; 11 product candidates that target auto-immune diseases including RA, and other diseases such as refractory gout and AMD; six product candidates in nephrology; three product candidates in the metabolic area that target type-2 diabetes; and four product candidates in dermatology.

Robust and Innovative Product Pipeline Supported by Integrated Research and Development Platform and Collaboration with Industry Leaders and International Partners



Research and Development ("R&D")

The Group's integrated R&D platform covers a broad range of technical expertise in the discovery and development of various innovative bio-pharmaceutical products, including molecular cloning, antibody/protein engineering, gene expression, cell line construction, manufacturing process development, large scale manufacturing, quality control and assurance, design and management of pre-clinical and clinical trials, and regulatory filing and registration. The Group is experienced in R&D of mammalian cell-expressed, bacterial cell-expressed and chemically-synthesized pharmaceuticals.

The Group focuses its R&D efforts on researching and developing innovative biologics products. Currently, the Group has a panel of leading biologics products in various stages of clinical development, including NuPIAO (the second-generation rhEPO to treat anemia), SSS07 (the anti-TNFα antibody to treat RA), Pegsiticase (a modified pegylated recombinant uricase from candida utilis to treat refractory gout), 602 (an anti-epidermal growth factor receptor antibody to treat cancer), 601 (an anti-VEGF antibody to treat AMD), and prefilled syringe dosage form of Yisaipu.

The Group has completed the Phase III trial of the prefilled syringe dosage form of Yisaipu and is preparing to apply for manufacturing approval from the CFDA in the second quarter of 2018.

The Group has completed the Phase III trials of Clindamycin Phosphate and Tretinoin Gel for topical treatment of acne vulgaris in patients of 12 years and older, and expects to file for manufacturing approval in the second quarter of 2018.

The Group has completed multiple Phase I trials of NuPIAO in anemic patients, and has filed an application for Phase II and Phase III clinical trials to the CFDA in November 2017.

The Group has completed the Phase Ia clinical trial for SSS07 in healthy volunteers, and has initiated the Phase Ib trial in patients with RA in the second quarter of 2017.

As announced on 5 January 2017, the Group has received an IND approval for clinical trials for Pegsiticase from the CFDA. Clinical trial for Pegsiticase has been initiated in the second half of 2017. The Group's business partner, Selecta is conducting Phase II trials for SEL-212 (consisting of Pegsiticase, co-administered with SVP-Rapamycin to prevent anti-drug antibodies) in the United States. Their study has shown positive results in reducing uric acid levels while having significantly fewer patients experiencing gout flares during treatment. Selecta expects to initiate its Phase III trial in 2018.

On 24 May 2017, the Group received an IND approval for clinical trials from the CFDA for TPIAO in surgery patients with hepatic dysfunction at the risk of thrombocytopenia. Patient enrollment will begin in the second quarter of 2018. In addition, as announced on 22 February 2018, the Group has received an IND approval from the CFDA for clinical trials of TPIAO in pediatric ITP indication.

As announced on 11 October 2017, an anti-VEGF antibody had been granted an approval by the CFDA for clinical trials in patients with neovascular AMD. Patient enrollment is expected to be initiated in the second quarter of 2018. In addition, on 3 January 2018, the Group received clinical trial approvals from the CFDA for this product candidate in patients with non-small cell lung cancer and cervical carcinoma.

The Group has filed four new IND applications in 2017. Three separate IND applications were filed for an anti-VEGF antibody for the treatment of various ophthalmic diseases in November 2017, including macular edema following retinal vein occlusion (RVO), myopic choroidal neovascularization (mCNV), and diabetic retinopathy with macular edema (DME). Another new IND application was filed for NuPIAO Phase II/III trials in anemic patients in November 2017.

As announced on 4 January 2018, one of the Group's in-licensed products, a GLP-1 receptor agonist weekly preparation, Bydureon (generic name: Exenatide Microsphere for injection), was approved by the CFDA as a new treatment option to improve glycemic control for patients with type-2 diabetes. The Group is preparing to launch the product, the first long-acting weekly-dosing GLP-1 receptor agonist product on China market, during the second quarter of 2018.

Fluticasone Propionate Cream, a product with broad applications in the treatment of a variety of dermatological disorders, was granted a marketing approval from the CFDA on 26 July 2017. The Group has launched the product in March 2018.

On 1 February 2018, the Group received a supplemental marketing approval from the CFDA of Tacrolimus Ointment (0.03%) for pediatric indications in children aged between 2-15 years old with moderate to severe atopic dermatitis.

During the period from 2009 to 2013, the Group conducted an open label, multi-center, perspective Phase III trial in China with a humanized anti-HER2 antibody, the Group's product candidate 302H (賽普汀), in patients with HER2 over-expressing metastatic breast cancer. A total of 26 hospitals and clinical centers participated in the study. A group of 341 eligible patients were randomized into two groups, one receiving the product candidate 302H plus vinorelbine (長春瑞濱), while the other group receiving vinorelbine until either intolerance due to toxicity or disease progression, followed by switching to the product candidate 302H as a single agent therapy. The final results showed that there was a significant prolongation in progression-free survival (PFS) and greater reduction in the risk of disease progression in patients who received the product candidate 302H plus vinorelbine in combination, as compared to those receiving chemotherapy alone or chemotherapy followed by the product candidate 302H. The overall objective response rate (ORR) was also significantly higher in the patient group which received the product candidate 302H plus vinorelbine in combination. There was no significant difference in the occurrence of systemic toxicities and serious adverse events between the two treatment groups. The Group has recently completed a thorough inspection and audit of all the clinical sites and the associated clinical data, with the assistance of a retained third-party clinical study audit firm. The Group is finalizing the clinical study report, and plans to re-submit a new drug application to the CFDA in the near future, with the aim to register the product in China as a safe and efficacious therapeutic biologics medicine for the treatment of HER2 over-expression metastatic breast cancer.

The Group's R&D team of experienced researchers and scientists under the leadership of Dr. ZHU Zhenping, the chief scientific officer of the Company, is working diligently to research and discover new medicines, to accelerate the progress of clinical development, and to bring breakthrough therapies to fulfill the unmet medical needs of patients.

Sales, Marketing and Distribution

The Group's sales and marketing efforts are characterized by a strong emphasis on academic promotion. The Group aims to promote and strengthen the Group's academic recognition and the brand awareness of its products among medical experts. The Group markets and promotes its key products mainly through its in-house sales and marketing team. The Group sells these products to distributors who are responsible for delivering products to hospitals and other medical institutions. The Group relies on third-party promoters to market certain products.

As at 31 December 2017, the Group's extensive sales and distribution network in China was supported by approximately 2,446 sales and marketing employees, 272 distributors and 1,845 third-party promoters. As at 31 December 2017, the Group's sales team covered over 2,000 Grade III hospitals and over 12,000 Grade II or lower hospitals and medical institutions, reaching all provinces, autonomous regions and special municipalities in China. In addition, TPIAO, Yisaipu, EPIAO, SEPO and some of the Group's other products are exported to a number of countries through international promoters.

After the acquisition of Sunshine Guojian and with the in-license of the AstraZeneca diabetes products (including Byetta and Bydureon), Sunshine Guojian's sales team and Byetta's sales team were integrated into the Group's commercialization platform as two new business units. With the in-license of Humulin from Lilly China, the Group expanded diabetes sales team to promote Humulin in China in 2017.

Outlook

The Group intends to reinforce its position as a leading biopharmaceutical company in China by leveraging its integrated R&D, commercial and manufacturing platforms.

The Group plans to increase sales of its marketed products by further penetration into the hospitals currently covered by the Group's sales and marketing team and new hospitals to be reached and brought under coverage, through continuous education within the medical profession. The current market penetration rates of all the Group's three key products are still relatively low, which indicates significant growth potential. With the three products (including two key products) admitted in the NRDL in 2017, the Group is of the view that the NRDL inclusion will benefit these products' penetration in the hospitals under its coverage and allows further expansion of these products in lower-tier cities and hospitals, which also can stimulate market share growth.

The Group focuses on developing leading biologics products, including NuPIAO, SSS07, Pegsiticase, product candidate 602, product candicate 601, prefilled syringe of Yisaipu and other mAb products. A fully integrated R&D platform accelerates the development of biologics products and enables the Group to provide a variety of treatment options for patients. The Group's core therapeutic areas include oncology, immunology, nephrology, metabolic diseases and dermatology. The Group expects to receive one new Class 1 drug and/or new indication approval and two to three IND approvals on an annual basis. The Group will continue to build up its in-house clinical development capacity and capability through human capital and financial resource invested on a high priority basis.

With the Group's approximately 38,000-liter capacity mAb facility, as well as mammalian cell-based, bacteria cell-based and small molecule manufacturing facilities and over 25 years of experience in the biologics medicine manufacturing field, the Group is able to manufacture high quality pharmaceutical products with scalable manufacturing capacity at competitive cost. The manufacturing capability of the Group well positions it for its strategic objective of creating a profitable CDMO business, leveraging on its existing CDMO assets.

The Group continues to seek selective merger and acquisition and collaboration opportunities to enrich its existing product portfolio and pipeline so as to provide a growth engine for the long term. The strategic collaborations with AstraZeneca and Lilly China helps the Group to expand its product portofolio into the field of diabetes, a major chronic disease, which is an affirmation of the Group being the partner of choice to leading pharmaceutical companies around the world, and lays an important step stone for the Group to seek and effect new strategic collaborations. The collaboration with Toray in the nephrology treatment area will enable the Group to more effectively leverage its existing nephrology commercial team. The Group is growing its international sales through the registration of existing products in new countries and the registration of new products through either innovative or biosimilar pathways in highly regulated markets.

Financial Review

Revenue

For the year ended 31 December 2017, the Group's revenue amounted to approximately RMB3,734.3 million, as compared to approximately RMB2,797.3 million for the year ended 31 December 2016, representing an increase of approximately RMB937.0 million, or approximately 33.5%. The increase was mainly attributable to the sales growth of the Group's key products and the consolidation of the revenues of Yisaipu, Byetta and Humulin into the Group's consolidated financial statements since 1 April 2016, 11 October 2016 and 1 July 2017, respectively.

For the year ended 31 December 2017, the Group's sales of TPIAO increased to approximately RMB974.8 million, as compared to approximately RMB765.0 million for the year ended 31 December 2016, representing an increase of approximately RMB209.8 million, or approximately 27.4%. The increase was primarily attributable to an increase in sales volume, which in turn was primarily driven by the increase in recognition of TPIAO within the medical profession and the accelerated growth due to the implementation of NRDL beginning from September 2017. For the year ended 31 December 2017, sales of TPIAO accounted for approximately 26.0% of the Group's total sales of goods.

For the year ended 31 December 2017, the Group's sales of Yisaipu increased to approximately RMB1,012.9 million, as compared to approximately RMB786.2 million for the year ended 31 December 2016, representing an increase of approximately RMB226.7 million, or approximately 28.8%. The increase was mainly due to that Yisaipu was consolidated into the Group's consolidated financial statements since 1 April 2016. As compared to the sales of Yisaipu from 1 January to 31 December 2016, the Group's sales of Yisaipu for the year ended 31 December 2017 increased from approximately RMB925.2 million to approximately RMB1,012.9 million, representing an increase of approximately RMB87.7 million, or approximately 9.5%. The increase was primarily attributable to an increase in sales volume, which in turn was driven by the accelerated growth due to the implementation of NRDL beginning from September 2017. For the year ended 31 December 2017, the sales of Yisaipu accounted for approximately 27.0% of the Group's total sales of goods.

For the year ended 31 December 2017, the Group's sales of EPIAO and SEPO increased to approximately RMB855.3 million, as compared to approximately RMB772.8 million for the year ended 31 December 2016, representing an increase of approximately RMB82.5 million, or approximately 10.7%. The increase was primarily attributable to an increase in sales volume, which in turn was primarily driven by the surging demand for rhEPO products in China. For the year ended 31 December 2017, the Group's sales of SEPO increased to approximately RMB150.7 million, as compared to approximately RMB95.6 million for the year ended 31 December 2016, representing a significant increase of approximately RMB55.1 million, or approximately 57.7%. For the year ended 31 December 2017, the Group's sales of EPIAO increased to approximately RMB704.6 million, as compared to approximately RMB677.2 million for the year ended 31 December 2016, representing an increase of approximately RMB27.4 million, or approximately 4.0%. The increase was primarily attributable to an increase in sales volume. The second brand of the Group's rhEPO product, SEPO, performed strongly and expanded the market coverage. For the year ended 31 December 2017, the sales of EPIAO and SEPO accounted for a total of approximately 22.8% of the Group's total sales of goods.

For the year ended 31 December 2017, the Group's sales of Humulin were approximately RMB129.0 million and service income associated with the promotion of Humulin was approximately RMB68.3 million, which were consolidated into the Group's consolidated financial statements since 1 July 2017.

For the year ended 31 December 2017, the Group's sales of Byetta were approximately RMB130.9 million, which were consolidated into the Group's consolidated financial statements since 11 October 2016.

For the year ended 31 December 2017, the Group's sales derived from Zhejiang Wansheng increased to approximately RMB271.7 million, as compared to approximately RMB223.2 million for the year ended 31 December 2016, representing an increase of approximately RMB48.5 million, or approximately 21.7%. The Group's dermatology products performed strongly for the year ended 31 December 2017.

For the year ended 31 December 2017, the Group's export sales increased to approximately RMB64.5 million, as compared to approximately RMB50.0 million for the year ended 31 December 2016, representing an increase of approximately RMB14.5 million, or approximately 28.9%. The increase was primarily attributable to an increase in export sales of Yisaipu and EPIAO.

For the year ended 31 December 2017, the Group's sales of other products primarily consisted of the contract manufacturing income derived from Sirton as well as the sales of IV Iron Sucrose and Sparin.

Cost of Sales

The Group's cost of sales increased from approximately RMB402.3 million for the year ended 31 December 2016 to approximately RMB676.2 million for the year ended 31 December 2017, which accounted for approximately 18.1% of the Group's total revenue for the same period. The primary reasons for the increase in the Group's cost of sales were due to the increased sales volume for the year ended 31 December 2017, as compared to the corresponding period in 2016, and the consolidation of the costs of sales of Yisaipu, Byetta and Humulin into the Group's consolidated financial statements since 1 April 2016, 11 October 2016 and 1 July 2017, respectively.

Gross Profit

For the year ended 31 December 2017, the Group's gross profit increased to approximately RMB3,058.1 million, as compared to approximately RMB2,395.0 million for the year ended 31 December 2016, representing an increase of approximately RMB663.1 million, or approximately 27.7%. The increase in the Group's gross profit was broadly in line with its revenue growth during the period. The Group's gross profit margin decreased to approximately 81.9% for the year ended 31 December 2017 from approximately 85.6% for the corresponding period in 2016. The decrease was mainly attributable to the Group's consolidation of Byetta since 11 October 2016 and Humulin since 1 July 2017, which had a lower gross profit margin than the Group's other businesses.

Other Income and Gains

The Group's other income and gains mainly comprised income associated with the disposal of the investment in an associate, government grants, interest income and other miscellaneous income. For the year ended 31 December 2017, the Group's other income and gains decreased to approximately RMB195.8 million, as compared to approximately RMB215.6 million for the year ended 31 December 2016, representing a decrease of approximately RMB19.8 million, or approximately 9.2%. The decrease was mainly attributable to the decrease of government grants received by the Group. Generally, government grants would be received once the relevant projects reach certain milestones. We expect to continue to receive government grants with the progress of the Group's R&D projects.

Selling and Distribution Expenses

The Group's selling and distribution expenses primarily consisted of marketing and promotion expenses, staff costs, transportation expenses, consulting fees and other miscellaneous selling and distribution expenses. For the year ended 31 December 2017, the Group's selling and distribution expenses amounted to approximately RMB1,332.7 million, as compared to approximately RMB1,017.2 million for the year ended 31 December 2016, representing an increase of approximately RMB315.5 million, or approximately 31.0%. The increase was mainly attributable to the increased promotional activities for the Group's products and the consolidation of the selling and distribution expenses of Yisaipu, Byetta and Humulin into the Group's consolidated financial statements since 1 April 2016, 11 October 2016 and 1 July 2017, respectively. In terms of the percentage of revenue, the Group's selling and distribution expenses was 35.7% for the year ended 31 December 2017 as compared to approximately 36.4% for the year ended 31 December 2016.

Administrative Expenses

The Group's administrative expenses consisted of staff costs, professional fees, depreciation and amortization, property expenses, share-based compensation, and other miscellaneous administrative expenses. For the year ended 31 December 2017, the Group's administrative expenses amounted to approximately RMB315.1 million, as compared to approximately RMB301.2 million for the year ended 31 December 2016, representing an increase of approximately RMB13.9 million, or approximately 4.6%. The increase was mainly due to the consolidation of Sunshine Guojian's administrative expenses for a full year in 2017, as the consolidation of Sunshine Guojian's administrative expenses began from the second quarter of 2016, and the increase in personnel costs due to the expansion of business of the Group, which was partially offset by the decrease in one-off expenses. The one-off items include: (a) the expenses incurred in relation to the issuance of the Bonds; (b) the option expenses associated with the options granted on 2 February 2017; (c) the expenses incurred in relation to the acquisitions of the CDMO business and Sunshine Guojian and the exclusive license agreement with AstraZeneca. Had the effects of the one-off items been excluded, the administrative expenses for the year ended 31 December 2017 would have been approximately RMB274.5 million. The administrative expenses (excluding the aforementioned one-off items) as a percentage of revenue was approximately 7.4% for the year ended 31 December 2017, as compared to approximately 7.9% for the corresponding period in 2016.

Other Expenses and Losses

The Group's other expenses and losses primarily consisted of its R&D costs. For the year ended 31 December 2017, the Group's other expenses and losses amounted to approximately RMB348.3 million, as compared to approximately RMB282.2 million for the year ended 31 December 2016, representing an increase of approximately RMB66.1 million, or approximately 23.4%. The increase was mainly due to the increase in R&D expenses and the increase in prescription assistance program (PAP) benefits for Byetta and Yisaipu to provide affordable and high quality medicines to patients with economic hardship.

Finance Costs

For the year ended 31 December 2017, the Group's finance costs amounted to approximately RMB141.4 million, as compared to approximately RMB147.7 million for the year ended 31 December 2016, representing a decrease of approximately RMB6.4 million, or approximately 4.3%. The decrease was mainly due to the decrease in interest expenses with the repayment of bank borrowings, which was partially offset by increase in non-cash interest expenses of the Bonds. Excluding the non-cash interest expenses of the Bonds, the finance cost for the year ended 31 December 2017 would have been approximately RMB110.0 million.

Income Tax Expense

For the year ended 31 December 2017, the Group's income tax expense amounted to approximately RMB177.6 million, as compared to approximately RMB135.8 million for the year ended 31 December 2016, representing an increase of approximately RMB41.8 million, or approximately 30.8%. The increase was mainly due to the increase of taxable income during the year ended 31 December 2017, as compared to the corresponding period in 2016. The effective tax rates for the year ended 31 December 2017 and the corresponding period in 2016 were 16.1% and 16.0% respectively.

EBITDA and Net Profit attributable to owners of the parent

The EBITDA for the year ended 31 December 2017 increased by approximately RMB332.4 million or approximately 29.0% to approximately RMB1,476.8 million, as compared to approximately RMB1,144.4 million for the year ended 31 December 2016. The normalized EBITDA is defined as the EBITDA for the period excluding, as applicable: (a) the expenses incurred in relation to the issuance of the Bonds; (b) the option expenses associated with the options granted on 2 February 2017; (c) the expenses incurred in relation to the acquisition of the CDMO business; (d) the income associated with the disposal of the equity shares in Ascentage Group; (e) the expenses incurred in relation to the acquisition of Sunshine Guojian and the exclusive license agreement with certain subsidiary of AstraZeneca; (f) the warrant expenses associated with Sunshine Guojian Warrants granted on 1 January 2015; (g) the income associated with the fair value gain of the approximately 28.8% equity interests in Sunshine Guojian previously acquired by the Group in 2014 and 2015; and (h) the income associated with the gain on deemed disposal of investments in an associate (namely Ascentage Jiangsu). The Group's normalized EBITDA for the year ended 31 December 2017 increased by approximately RMB293.7 million or approximately 25.5% to approximately RMB1,445.5 million, as compared to approximately RMB1,151.8 million for the year ended 31 December 2016.

The net profit attributable to owners of the parent for the year ended 31 December 2017 was approximately RMB935.4 million, as compared to approximately RMB712.6 million for the year ended 31 December 2016, representing an increase of approximately RMB222.8 million, or approximately 31.3%. The normalized net profit attributable to owners of the parent is defined as the profit attributable to owners of the parent for the period excluding, as applicable: (a) the expenses incurred in relation to the issuance of the Bonds; (b) the option expenses associated with options granted on 2 February 2017; (c) the expenses incurred in relation to the acquisition of the CDMO business; (d) the income associated with the disposal of the equity shares in Ascentage Group; (e) the expenses incurred in relation to the acquisition of Sunshine Guojian and the exclusive license agreement with certain subsidiary of AstraZeneca; (f) the warrant expenses associated with Sunshine Guojian Warrants granted on 1 January 2015; and (g) the income associated with the fair value gain of the approximately 28.8% equity interests in Sunshine Guojian previously acquired by the Group in 2014 and 2015; and (h) the income associated with the gain on deemed disposal of investments in an associate (namely Ascentage Jiangsu). The Group's normalized net profit attributable to owners of the parent for the year ended 31 December 2017 was approximately RMB904.0 million, as compared to approximately RMB720.0 million for the year ended 31 December 2016, representing an increase of approximately RMB184.1 million, or approximately 25.6%. The normalized net profit attributable to owners of the parent grew slower than the revenue growth primarily due to the consolidation of Byetta and Humulin, which had a lower net profit margin as compared to the Group's other businesses.

Long Term Receivables

As at 31 December 2017, long term receivables represented the loan provided to Zhejiang Sunshine Pharmaceutical Company Limited in a principal amount of RMB25.0 million with an accumulated interest amount of RMB10.4 million due at loan maturity.

Available-for-sale Investments

As at 31 December 2017, available-for-sale investments primarily comprised the investments in treasury or cash management products issued by certain banks and the investments in a listed company and a private equity fund which is focusing on investment in the healthcare industry.

Liquidity, Financial and Capital Resources

The Group's liquidity remained strong. For the year ended 31 December 2017, the Group's operating activities generated a net cash inflow of approximately RMB1,074.1 million. As at 31 December 2017, the Group's cash and cash equivalents and time deposits (including pledged time deposits) were approximately RMB2,410.5 million.

Net Current Assets

As at 31 December 2017, the Group had net current assets of approximately RMB3,080.4 million, as compared to net current assets of approximately RMB1,097.1 million as at 31 December 2016. The current ratio of the Group increased from approximately 2.0 as at 31 December 2016 to approximately 2.4 as at 31 December 2017. The increase in net current assets was mainly due to the proceeds received from the issurance of the Bonds.

Funding and Treasury Policies, Borrowing and Pledge of Assets

The Group's finance department is responsible for the funding and treasury policies with regard to the overall business operation of the Group. The Company expects to fund its working capital and other capital requirements from a combination of various sources, including but not limited to internal financing and external financing at reasonable market rates. The Group continues to seek improving the return of the equity and assets while maintaining a prudent funding and treasury policy.

As at 31 December 2017, the Group had an aggregate interest-bearing bank borrowings of approximately RMB2,134.3 million, as compared to approximately RMB3,059.1 million as at 31 December 2016. The decrease in bank borrowings primarily reflected the repayment of loans of RMB1,132.9 million, which was partially offset by the additional short-term bank loans of RMB300.0 million obtained in 2017. The short-term bank borrowings were obtained to replace long-term bank borrowings so as to lower interest expenses. Among the short-term deposits, none was pledged to secure bank loans as at 31 December 2017, as compared to RMB5.9 million pledged deposits as at 31 December 2016.

As at 31 December 2017, the Group had convertible bonds outstanding of approximately RMB2,271.9 million.

Gearing Ratio

The gearing ratio of the Group, which was calculated by dividing the total borrowings (excluding the Bonds) by the total equity, decreased to approximately 28.0% as at 31 December 2017 from approximately 45.2% as at 31 December 2016. The decrease was primarily due to repayment of loans.

Contingent Liabilities

As at 31 December 2017, the Group had no significant contingent liabilities.

Contractual Obligations

The Group's capital commitment amounted to approximately RMB93.5 million as at 31 December 2017, as compared to approximately RMB180.3 million as at 31 December 2016.

Foreign Exchange and Exchange Rate Risk

The Group mainly operates in China, with all material aspects of its regular business conducted in Renminbi other than: (1) the operations of Sirton; and (2) the Group's exports, which amounted to approximately RMB64.5 million, or approximately 1.7% of the Group's revenue, for the year ended 31 December 2017. Except for the operations of Sirton, the Group's exports, potential international deal-making expenditures (such as related to international licensing and acquisitions), foreign currency denominated bank deposits and the Euro-dominated Bonds, the Group believes that it does not have any other material direct exposure to foreign exchange fluctuations. As at 31 December 2017, the Group's foreign currency denominated bank deposits primarily comprised: (1) approximately USD143.4 million (equivalent to approximately RMB936.7 million) denominated in USD; (2) approximately HKD5.5 million (equivalent to approximately RMB4.6 million)

denominated in Hong Kong dollars; and (3) approximately Euro146.0 million (equivalent to approximately RMB1,139.5 million) denominated in Euro. The Group expects that the fluctuation of the Renminbi exchange rate will not have a material adverse effect on the operations of the Group in the foreseeable future.

Significant Investments Held

During the year ended 31 December 2017, the Group did not have any significant investments.

Future Plans for Material Investments or Capital Assets

The Group estimates that the capital expenditure will be in the range of RMB300 million to RMB400 million per year for the Group for the next three years. These expected capital expenditures will primarily be incurred for the maintenance of the Group's existing facilities and the expansion of the Group's production capabilities. The Group expects to finance its capital expenditures through a combination of internally generated funds and bank borrowings.

EMPLOYEES AND EMOLUMENTS POLICY

As at 31 December 2017, the Group employed a total of 4,051 employees, as compared to a total of 3,465 employees as at 31 December 2016. The staff costs, including Directors' emoluments but excluding any contributions to pension scheme, were approximately RMB781.0 million for the year ended 31 December 2017, as compared to approximately RMB498.0 million for the corresponding period in 2016. The Group generally formulated its employees' remuneration package to include salary, bonus and allowance elements. The compensation programs were designed to remunerate the employees based on their performance, measured against specified objective criteria. The Group also provided the employees with welfare benefits in accordance with applicable regulations and the Group's internal policies. The Company has adopted a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HKD6.85 cents per ordinary share for the year ended 31 December 2017 (2016: Nil). The final dividend, if approved, will be payable on or around 30 July 2018 and is subject to the approval of the shareholders of the Company at the annual general meeting to be held on 20 June 2018.

CLOSURE OF REGISTER OF SHAREHOLDERS

The annual general meeting of the Company is scheduled to be held on 20 June 2018. For determining the entitlement to attend and vote at the annual general meeting, the register of shareholders of the Company will be closed from 14 June 2018 to 20 June 2018, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the annual general meeting, all transfer of shares of the Company, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 13 June 2018.

For determining the entitlement to the proposed final dividend, the register of shareholders of the Company will be closed from 4 July 2018 to 6 July 2018, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all transfer of shares of the Company, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong share registrars, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 3 July 2018.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders of the Company and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as its own code of corporate governance.

Except as expressly described below, the Company complied with all applicable code provisions set out in the CG Code during the year ended 31 December 2017.

Separation of the Roles of the Chairman of the Board and Chief Executive Officer

Pursuant to code provision A.2.1 of the CG Code, companies listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") are expected to comply with, but may choose to deviate from, the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. The Company does not have a separate chairman and chief executive officer. Dr. LOU Jing currently performs these two roles. The Board believes that vesting both the roles of chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and facilitating a more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively.

The Board will from time to time review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at an appropriate time, taking into account the circumstances of the Group as a whole.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuer" as set out in Appendix 10 to the Listing Rules (the "**Model Code**") as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with the Directors, all Directors confirmed that they have complied with the required standard as set out in the Model Code during the year ended 31 December 2017, except that when the Company granted share options to The Empire Trust for the benefit of a list of its employees and other eligible beneficiaries as part of its incentive plans on 2 February 2017 (the "**Grant**"), the beneficiaries list contained certain Directors as disclosed in the Company's announcement dated 3 February 2017. The Grant

was made in full compliance with the requirements (including the dealing restriction requirements) under Chapter 17 of the Listing Rules governing share option schemes, but fell into the black-out period for Directors' dealings in the shares of the Company under the Model Code, which deems the Grant to a Director as a dealing by the Director. Each of the relevant Directors has confirmed that save for the above deeming provision, he or she had not dealt in the shares of the Company during the blackout period and had acted in full compliance with the Model Code. The Grant is subject to vesting conditions and the share options are not yet vested.

The Company has paid due regard to the above and has taken immediate steps to remind the Directors and the management of the deeming provisions relating to grant of share options under the Model Code so as to prevent the occurrence of similar incidents.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Other than the offering of the Bonds as noted in "MANAGEMENT DISCUSSION AND ANALYSIS — Business Review — Key Events" above, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2017.

AUDIT COMMITTEE

The Board has established an audit committee (the "**Audit Committee**") which comprises of one non-executive Director and two independent non-executive Directors, namely Mr. PU Tianruo (chairman), Mr. WANG Steven Dasong, and Mr. MA Jun.

The Audit Committee has, together with the Board, reviewed and approved the accounting standards and practices adopted by the Group and the annual results for the year ended 31 December 2017. The Audit Committee has also reviewed the effectiveness of the risk management and internal control systems of the Company and considers them to be effective and adequate.

SCOPE OF WORK OF ERNST & YOUNG

The financial information in respect of the preliminary results announcement of the Group for the year ended 31 December 2017 have been agreed to by the Group's auditors, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Engagements or International Standards on Assurance Engagements issued by the International Auditing and Assurance Standards Board and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

PUBLICATION OF THE ANNUAL RESULTS AND 2017 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.3sbio.com).

The Company's 2017 annual report containing all the information required under the Listing Rules will be dispatched to the shareholders of the Company and will be published on the respective websites of the Stock Exchange and the Company in due course.

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

Shenyang, The PRC
26 March 2018

As at the date of this announcement, the Board comprises 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.