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Create Life

Care for Life



UBS Global Life Sciences Conference  
David Chen, Chief Operating Officer  
September 25, 2008



## Safe Harbor

Statements in this presentation regarding certain anticipated business prospects resulting from the approval constitute “forward-looking” statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995. These statements are based upon 3SBio management’s current expectations, and actual results could differ materially. Among the factors that could cause 3SBio’s actual results to differ from what the company currently anticipates may include competition from other domestic and foreign pharmaceutical companies; the expected market growth for pharmaceutical products in China; market acceptance of 3SBio products; expected hospital or patient demand for our products; 3SBio’s ability to expand its production, sales and distribution network and other aspects of its operations; its ability to effectively protect its intellectual property; changes in the healthcare industry in China, including changes in the healthcare policies and regulations of the PRC government and changes in the healthcare insurance sector in the PRC; and fluctuations in general economic and business conditions in China. For additional information on these and other factors that may affect the 3SBio’s financial results, please refer to the company’s filings with the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov). 3SBio undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this presentation.



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A Leading Fully Integrated  
Biotechnology Company



# 3SBio Overview

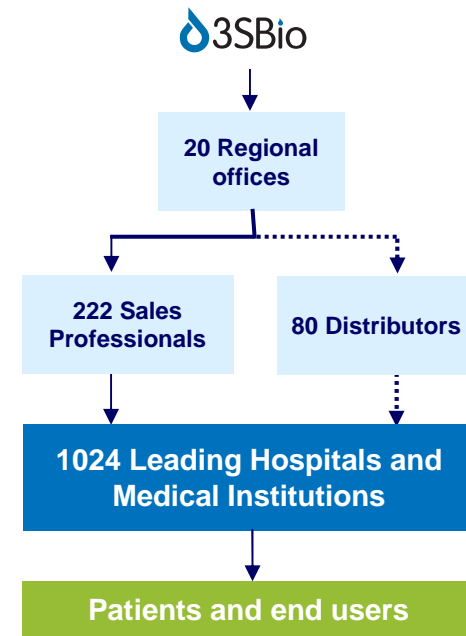
**A leading Chinese biotechnology company with fully integrated R&D, manufacturing and marketing infrastructure, focused on biopharmaceutical products primarily in China**

- ❖ **Founded in 1993, IPO February 2007**
  - 1<sup>st</sup> Chinese biotechnology company IPO on NASDAQ
- ❖ **Leading market position in nephrology and oncology supportive care markets**
  - EPIAO - #1 EPO brand in the Chinese market since 2002
  - TPIAO - the first protein-based TPO therapeutic product approved for Chemo-Induced Thrombocytopenia in the Chinese market
- ❖ **Strong pipeline and R&D focus**
  - Four phase III development programs
  - Three innovative early-stage R&D programs
- ❖ **Fully integrated infrastructure**
  - Nationwide sales, marketing and distribution network
  - Proven research and development capabilities
  - High-quality, proprietary manufacturing processes with significant cost advantages
  - Experienced and market oriented management team
- ❖ **Track record of financial performance with growth and profitability**



# Nationwide Sales & Marketing Network

We currently distribute our products in 18 provinces and the key major cities



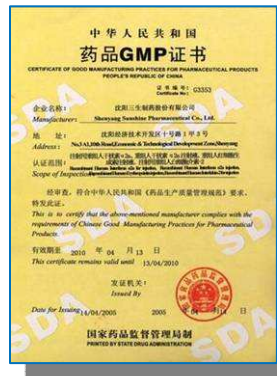
We are executing on our strategy to grow our sales and marketing infrastructure to meet China's rapidly growing demand for our products



# Leveraging Cost Advantages to Fuel Growth

## Highly Efficient Production Facilities Maximizes Operational Efficiency

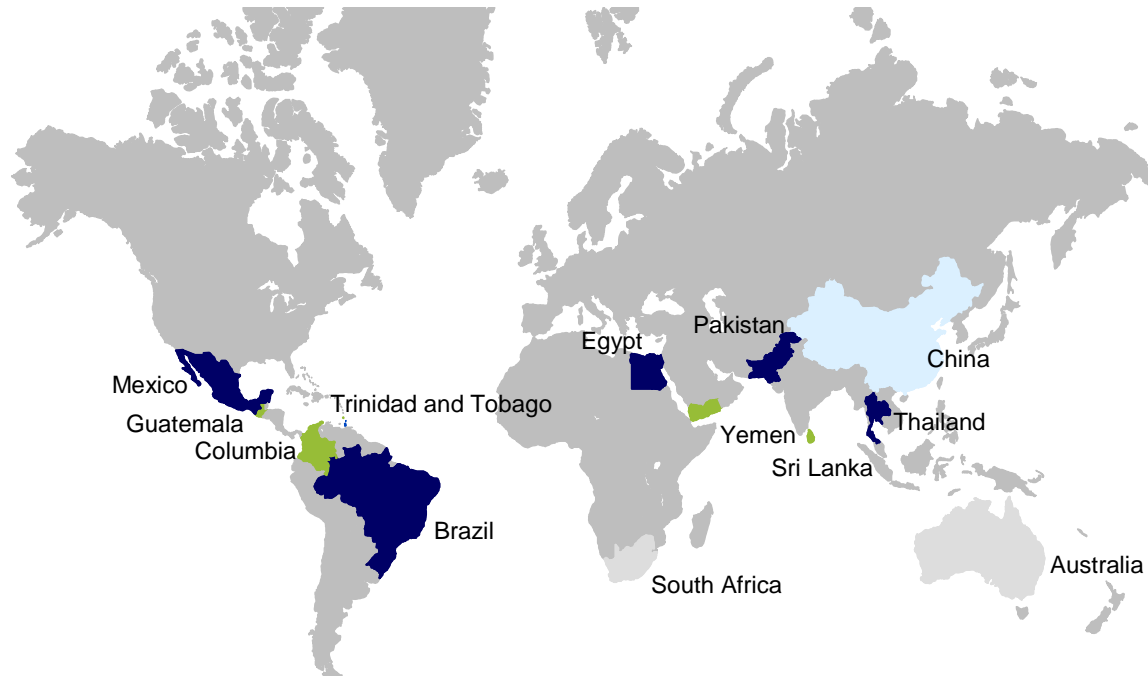
- ❖ State-of-the-art facility covering 3,000 square meters including a 1,600 square meter clean room
- ❖ cGMP certified manufacturing facility and voluntary applications of European Pharmacopoeia standards
- ❖ Composed of three departments including mammalian cell genetic engineering, bacterial genetic engineering, and formulation divisions
- ❖ Significant capacity to accommodate substantial growth from key products
  - Phase I of new plant completed end of 2007
  - Upgrade of existing facilities is expected to be completed by end of 2009





# Distributing as Biosimilar Products Globally

We currently export EPIAO, Interferon, Inleusin (Interleukin), and Tietai to a number of developing countries

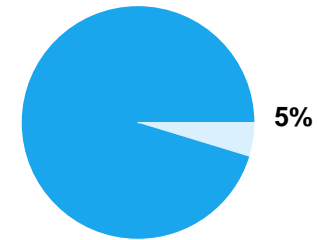


- Domestic Market
- 3SBio Export Countries
- Target Export Countries in Registration
- New Export Licenses 2006

### 2006/7 GMP approval for:

- Sri Lanka (March)
- Trinidad & Tobago (July)
- Republic of Yemen (August)
- Guatemala (September)
- Colombia (November).
- Pakistan (3Q 2007)

Export Sales (as of Q2 2008)  
Approximately 5% of Total Revenues



### Export Strategy

**3SBio Today - Replicate China model in adjacent SE Asia developing nations under penetrated by international players in EPO**

**Future Opportunities - Focus on biosimilars and open up opportunities in European markets upon receiving EMEA compliance for new and upgraded production facilities**



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Continuing Progress in Q2 2008



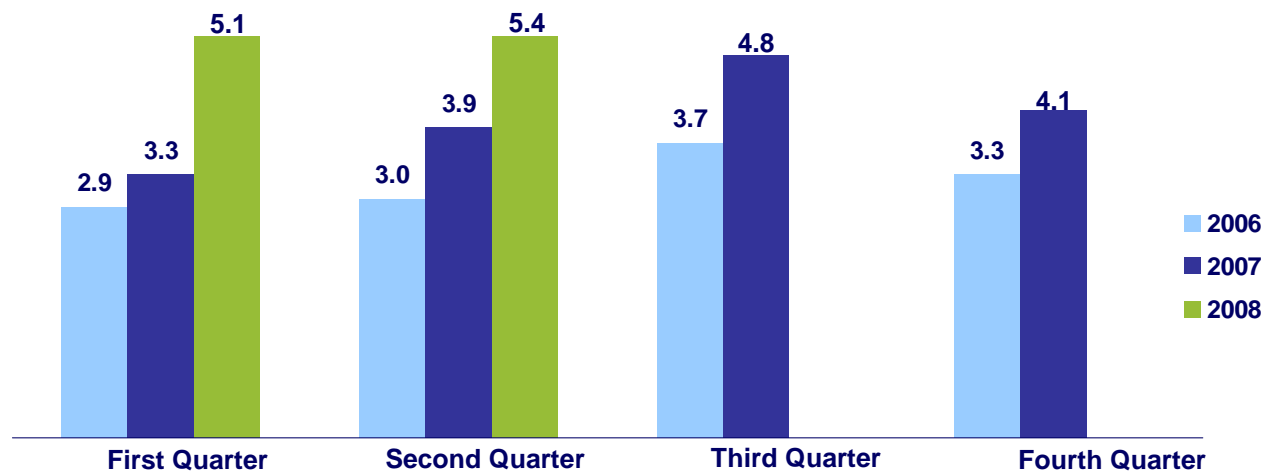
# EPIAO – Growing the Market Leader

## 2008 Q2 EPIAO Highlights

- ❖ US\$5.4 million in sales for second quarter 2008: +23.7% increase over second quarter 2007
- ❖ Remains leading revenue contributor : 62.3% of total sales in second quarter 2008
- ❖ Steady performance quarter over quarter, with increasing penetration into the oncology segment

### EPIAO Revenue

USD millions



益比奥®  
EPIAO® (rHuEPO)  
重组人红细胞生成素

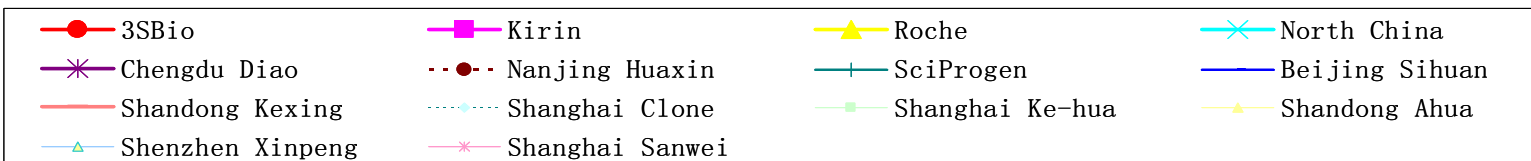
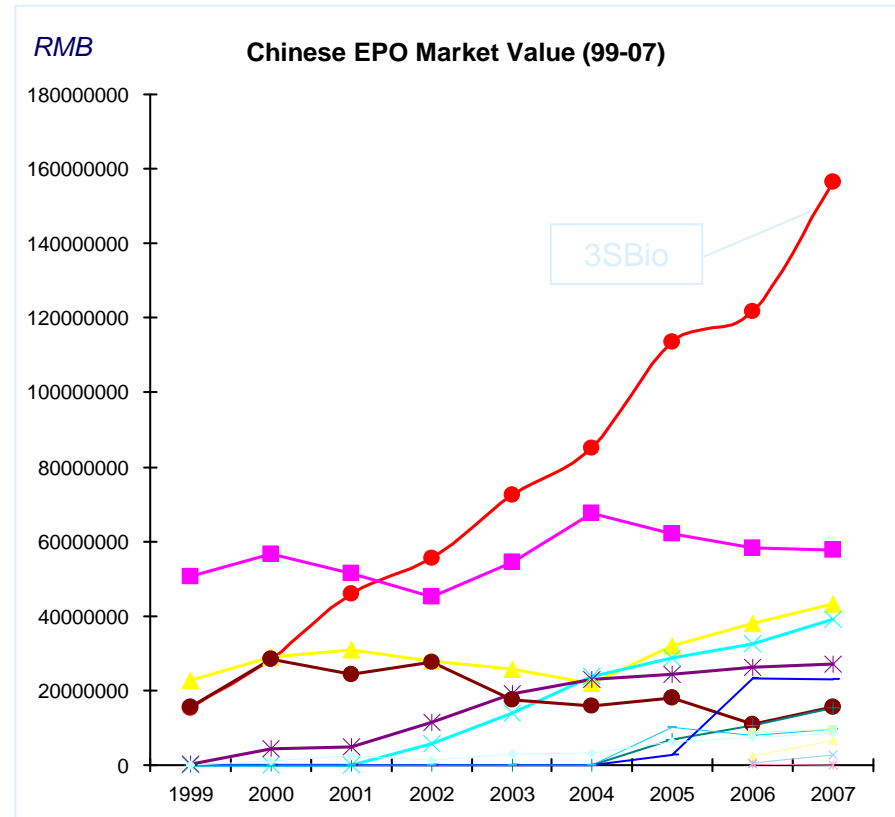
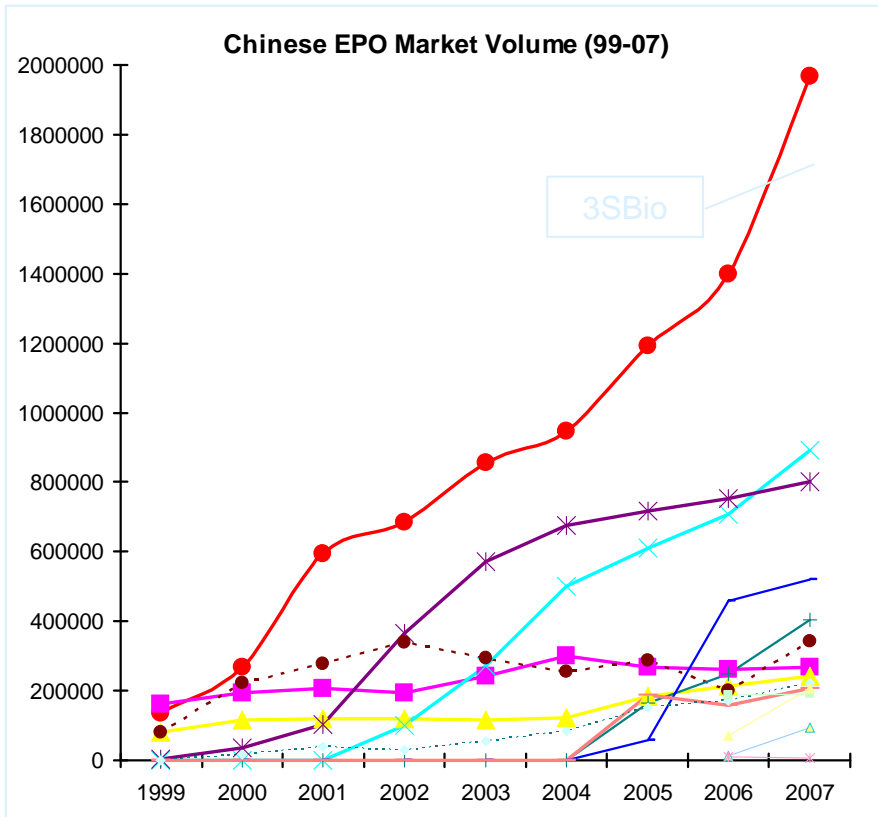


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# EPIAO – Accelerated Growth in Volume & Value

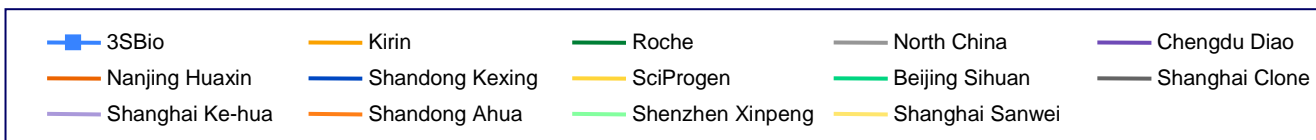
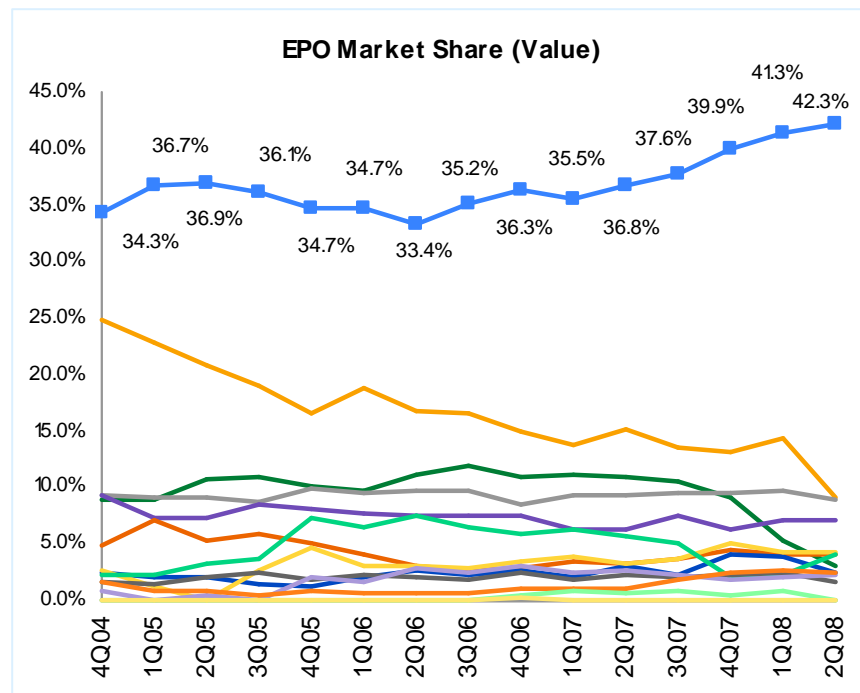
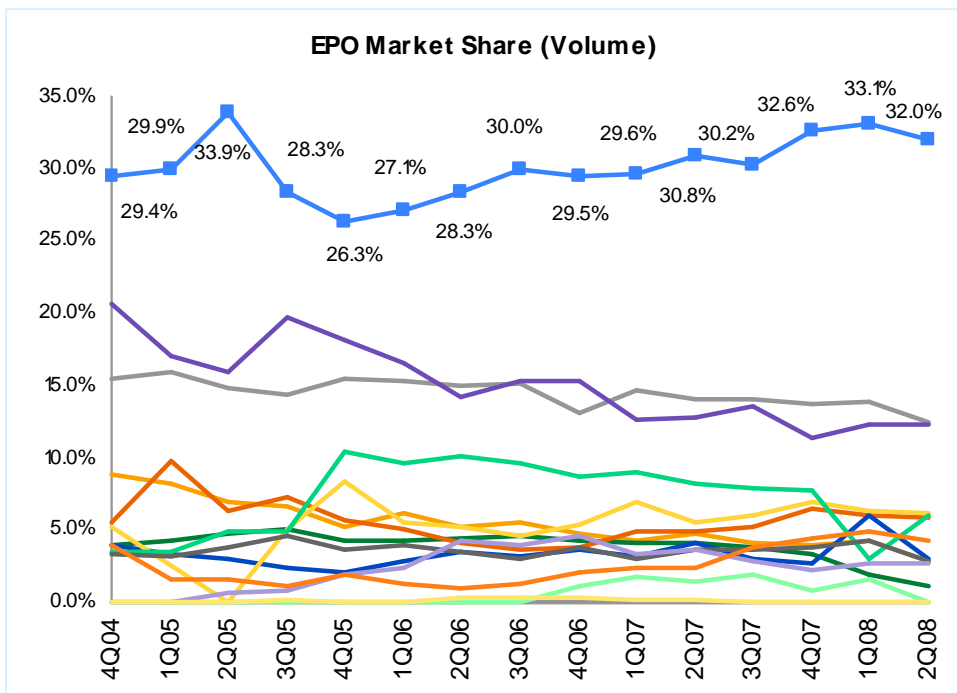


\* Source: IMS Health



# EPIAO – Outperforming Peers in Units and Revenues

- ❖ Historical total EPO market growth of ~20%
- ❖ EPIAO has consistently outperformed the market



益比奥®  
EPIAO® (rHuEPO)  
重组人红细胞生成素



\*Source: IMS Health

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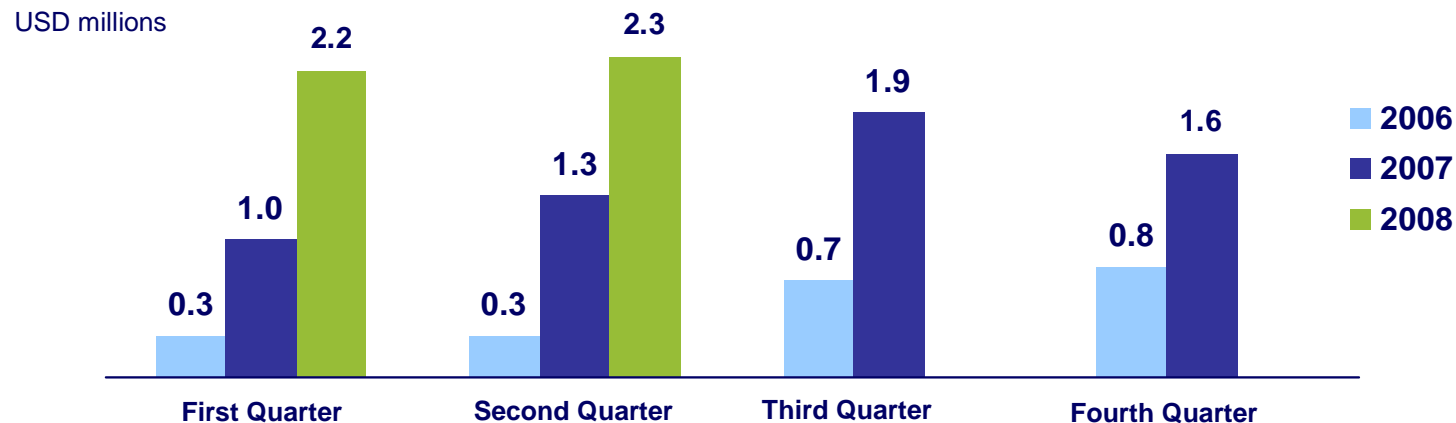


# TPIAO – Rapid Market Acceptance

## 2008Q2 TPIAO Highlights

- ❖ Newest in-house developed product and the fastest growing product in our portfolio
- ❖ US\$2.3 million in sales for second quarter 2008: +66.9% increase over second quarter 2007
- ❖ Remains the second largest revenue contributor : 27.0% of total sales in second quarter 2008

## TPIAO Revenue



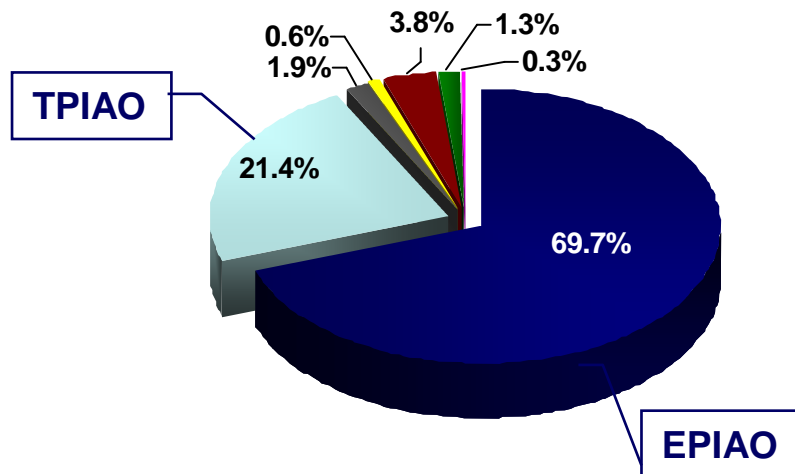


## Key Revenue Drivers – EPIAO & TPIAO

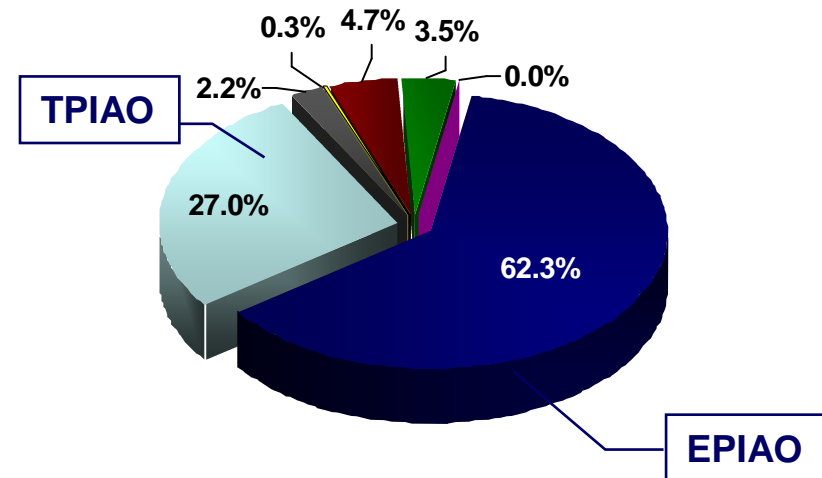
### Healthy End-Market Fundamentals Drive Growth

- ❖ EPIAO – sustainable growth year-over-year driven by oncology and dialysis market penetration and expansion
- ❖ TPIAO – rapid growth demonstrates physician acceptance of product
- ❖ Continued product growth highlights underlying strength of therapeutic markets

2007 Q2



2008 Q2



■ EPIAO ■ TPIAO ■ Intefen ■ InLeusin ■ Iron ■ Export ■ Others



# R&D Pipeline – Innovative Products, Clear Market Focus

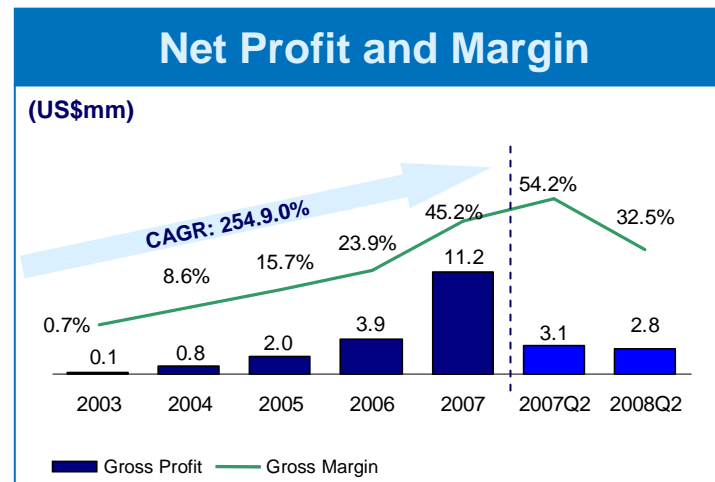
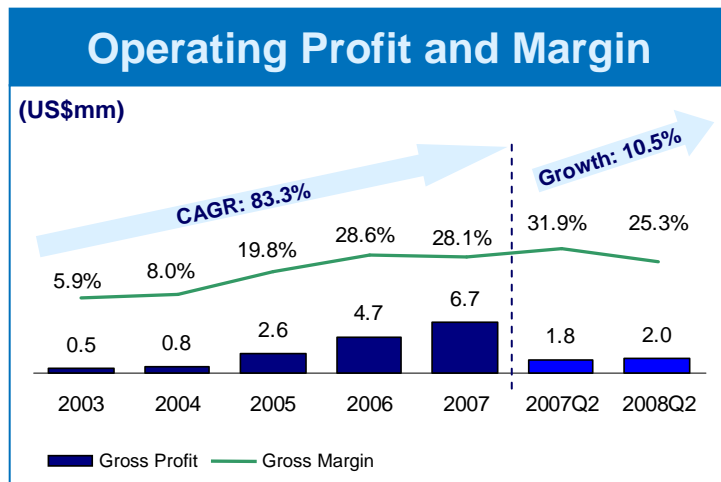
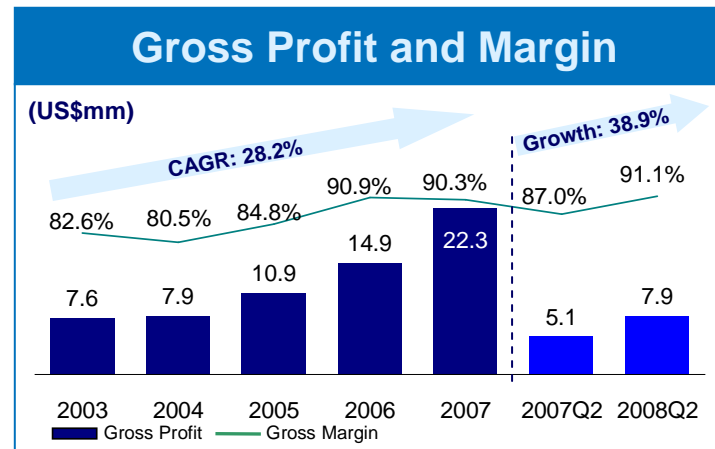
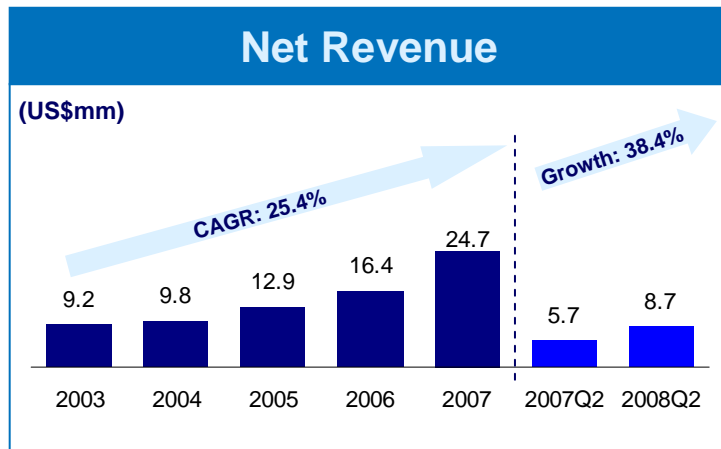
Product Name	Indication(s)	Preclinical	Phase I	Phase II	Phase III	Upcoming Milestone
Ferumoxytol	Anemia associated with Chronic Kidney Disease	→				Initiation of Registration Trial 1 <sup>st</sup> Half of 2009
High Dose EPIAO	Anemia associated with chemotherapy	→				Filed for approval
TPIAO	ITP	→				BLA End of 2008
Nuleusin	Renal cellcarcinoma Metastatic melanoma	→				BLA End of 2008
NuPIAO (2 <sup>nd</sup> Gen EPO)	Anemia associated with renal failure or chemotherapy, peri-operative blood cell mobilization	→				Complete pre-clinical trials in 2008
Anti-TNF Rab (SSS07)	Rheumatoid arthritis	→				
HPV vaccine (sss08)	Cervical cancer	→				

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# Enhanced Operational Efficiency and a Track Record of Growth and Profitability





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# A Clear Strategy for Long-Term Growth



# Focused Strategy to Drive Growth & Profitability





## 3SBio/AMAG Partnership – Becoming the “Partner of Choice” in China

- ❖ Focused execution of 3SBio business development strategy
- ❖ Significant market potential of Ferumoxytol in China
  - Large CKD patient population
    - 100,000 patients on dialysis under government reimbursement, growing at 20%<sup>1</sup>
    - 12 million Chinese with Stage 3-4 CKD<sup>2</sup>
  - Rapidly growing Iron market
    - Attractive Iron pricing
    - 2007 Iron market \$21M, growing at 43%<sup>3</sup>
  - Significant opportunities in non-nephrology indications
- ❖ Win-Win partnership to leverage resources and expertise
  - 3SBio to develop and commercialize Ferumoxytol in China in CKD and subsequent indications
  - AMAG to provide Ferumoxytol commercial supply to 3SBio
  - Partnership governed by joint steering committee
  - Equitable sharing of economics between both parties

Source:

1. *PRC Reimbursement Administration report*
2. *Kidney International (2005) 68: 2837-2845*
3. *IMS Health*



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# Appendix



# A Diverse Portfolio of Marketed Products

Our products target the growing oncology and nephrology end markets

Product Name	Indication (s)	LAUNCH DATE
<b>EPIAO®</b> (rhEPO) (益比奥®)	Anemia associated with renal failure or chemotherapy, peri-operative blood cell mobilization	1998
<b>TPIAO®</b> (rhTPO) (特比澳®)	Thrombocytopenia	1Q2006
<b>Iron Sucrose Supplement</b> (铁泰®)	Iron-deficiency associated with anemia	Jan 2007
<b>Intefen®</b> (Interferon Alpha-2a, IFN) (因特芬®)	Cancer, Viral infectious diseases	1995
<b>Inleusin®</b> (IL-2) (英路因®)	Renal cell carcinoma, Metastatic melanoma, Tuberculosis	1996





# Product Description

## Leading Products

- ❖ **EPIAO (益比奥)** is an injectible recombinant human erythropoietin (rhEPO) that stimulates the production of red blood cells in patients with anemia and reduces the need for blood transfusions
- ❖ **TPIAO (特比澳)** is an injectible recombinant human thrombopoietin (rhTPO) product that stimulates production of megakaryocytes to release mature platelets and raising the circulating platelet count

## Legacy Products

- ❖ **Intefen (因特芬)** is our recombinant interferon alpha-2a product. Intefen is indicated for treatment of carcinomas of the lymphatic and hematopoietic systems.
- ❖ **Inleusin (英路因)** is our recombinant human interleukin-2, or IL-2, product. Inleusin is indicated for the treatment of renal cell carcinoma, the most common form of kidney cancer, metastatic melanoma, a type of skin cancer, and thoratic fluid build-up caused by cancer and tuberculosis. Inleusin is designed to stimulate the immune system in order to fight cancer and infectious diseases. We launched Inleusin in the Chinese market in 1996.

## In-licensed Products

- ❖ **Iron Sucrose Supplement (三生蔗糖铁)**, an intravenously administered prescription drug that is designed to treat anemia associated with iron deficiency, is indicated for patients with end-stage renal disease requiring iron replacement therapy. We in-licensed five-year exclusive PRC distribution rights for this product from Shenyang Borui Pharmaceutical Company Limited in May 2006. Iron Sucrose Supplement was launched in China in 2005, and we believe it will be complementary to our EPIAO franchise.



# Key Facts for EPIAO and TPIAO

## EPIAO

- ❖ **Only EPO approved for three distinct medical indications**
  - Anemia associated with chronic renal failure
  - Anemia associated with chemotherapy,
  - Red blood mobilization before, during, and after surgery
- ❖ **Only EPO product in China that has been approved for use in cancer patients**
- ❖ **Strong brand recognized for quality and reliability**
- ❖ **Competitive pricing - less than 1/3 of its imported comparables produced overseas**
- ❖ **8 year of post-marketing experience and ~8mm vials sold**
- ❖ **Market leadership in China since 2002**

## TPIAO

- ❖ **1st protein-based therapeutic approved and launched for the treatment of chemotherapy-induced thrombocytopenia. or platelet deficiency in China**
- ❖ **Phase III results demonstrated higher platelet count in approx. 78% of cancer patients and 85%, of ITP patients**
- ❖ **Launched in January 2006**
- ❖ **Marketing exclusivity period of 5 years through 2010**
- ❖ **Rapidly broadening market penetration**
- ❖ **2 patents issued in China covering composition of matter expiring in 2015 and method of manufacturing expiring in 2020**



# High-Dose EPIAO and NuPIAO

**High-Dose EPIAO is a 36,000/IU formulation of EPIAO**

## Key Highlights

- ❖ **Designed for rapid restoration of hemoglobin to normal levels among cancer patients**
- ❖ **There currently is no dosage form of this kind in China**
  - Comparable to standardized dose used globally for anemia
  - Allows for less frequent administration- more convenient for both patient and caregiver
  - Expected to be premium priced

**NuPIAO is the second-generation EPIAO that is designed to have a longer half-life**

## Key Highlights

- ❖ **Comparable in structure to Amgen's Aranesp, which is currently the only second-generation EPO product approved by the U.S. Food and Drug Administration**
- ❖ **Preliminary testing of NuPIAO has demonstrated an enhanced half-life comparable to the half-life of darbepoietin alpha**
- ❖ **Extended half-life and increased biologic activity should allow for less frequent administration- more convenient for both patient and caregiver**
- ❖ **Preclinical testing is complete and awaiting SFDA go ahead**



# TPIAO for the Treatment of ITP

**ITP is characterized by an immune system malfunction that perceives the body's platelets as foreign and destroys them, potentially resulting in dangerously low platelet counts**

## Key Highlights

- ❖ **New approach to treat ITP by stimulating the TPO receptor, directly increasing platelet production to outpace platelet destruction by the immune system**
- ❖ **Multicenter, randomized, placebo-controlled Phase III study in 200 ITP patients**
- ❖ **The primary endpoint of this trial is the measurement of platelet counts during the 14 day treatment**



## NuLeusin– Our 2<sup>nd</sup> Generation IL-2

**NuLeusin, our second-generation IL-2, is a genetically modified form of IL-2 possessing the same properties as naturally occurring IL-2**

### Key Highlights

- ❖ **The genetic modification enabled us to produce a high dosage form of IL-2 that has increased stability, superior efficacy, and enhanced tolerability**
- ❖ **Comparable to Chiron's Proleukin, which received U.S. FDA approval for treatment of metastatic renal cell carcinoma in 1992, and for treatment of metastatic melanoma in 1998**
- ❖ **In 2005, we completed an open-label, non-randomized Phase II trial of NuLeusin in 22 patients with metastatic renal cell carcinoma**
  - **The data demonstrated that NuLeusin effectively reduced the size of the tumors in these patients**
  - **No serious adverse events reported in this study**
- ❖ **We are currently conducting a multicenter, open-label registrational Phase III clinical study for NuLeusin for the treatment of metastatic melanoma and metastatic renal cell carcinoma**



## Experienced and Market-Oriented Management Team

**Our management team has extensive experience in China's biopharmaceutical industry and a solid understanding of both Chinese and international industry best practices**

<b>Jing Lou, M.D., Ph.D.</b> <i>CEO and Director</i>	Has been with 3SBio since 1995, and built 3SBio into the Chinese leading biopharmaceutical company. Has more than 10 years' pharmaceutical industry experiences. Post-doctoral training at NIH; and Ph.D. from Fordham Univ. in Molecular and Cellular Biology
<b>David Chen</b> <i>COO</i>	Joined in 2007. Responsible for oversight of commercial operations. former medical doctor, held various management positions in multinational pharmaceutical companies in the US, including GlaxoSmithKline and Eli Lilly & Company.
<b>Kevin Teo</b> <i>CFO</i>	Joined 3SBio in 2008 with over 20 years experience, having held numerous senior finance and accounting positions throughout Asia. Previously held positions at East Asia Power (Xiamen), Huawei Technologies and Siemens Malaysia. London Chamber of Commerce & Industry Third Level Group Diploma in Cost Accounting and Pittman Certificate in Advanced Accounting in 1989. Member, Association of Chartered Certified Accountants since 1995.
<b>Yingfei Wei, Ph.D.</b> <i>CSO</i>	CSO since 2006. Responsible for 3SBio's Research and Development, partnership, and technology division. Former R&D research director of Bayer in San Francisco, and former senior research scientist at Human Genome Sciences. Post-doctoral fellow at Harvard and Ph.D. from University of California
<b>Dongmei Su, MSc.</b> <i>CTO</i>	Joined in 1993. In charge of the 3SBio's manufacturing, processing engineering. Co-inventor of several of 3SBio's patents. Masters in Microbiology and Pharmacology, and BSc in Biochemical Engineering from Jilin University
<b>Ke Li, MSc., MBA</b> <i>Regulatory</i>	Joined in 1993. Responsible for all corporate and regulatory matters. MBA from Liaoning University, and BSc in Engineering from Jilin University



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