3SBio Investor Presentation

August 2018

CHERISH LIFE CARE FOR LIFE CREATE LIFE

25 years

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Industry Policy Review since 2017

The Policy of “Healthy China” Accelerates the Development of the Industry

February 21 2017	The Ministry of Human Resources and Social Security issued the "National Basic Medical Insurance, Industrial Injury Insurance and Maternity Insurance Drug Catalog (2017 Edition)", which is the fourth update of the medical insurance catalog (the third update was in 2009). According to statistics, 339 new drugs were added to the 2017 new medical insurance catalog, and new drugs for cancer and other major diseases were also included
April 10 2017	The SDA[1] issued the "Announcement on Suggestions for Handling Issues Related to Drug Clinical Trial Data Inspection" (Draft for Suggestions), which clarified the blacklist system, clinical urgent need system, and zero tolerance for data fraud
May 11 2017	The SDA issued the "Relevant Policies on Encouraging the Innovation and Reform of Clinical Trial for Drug-based Medical Device Innovation Management" (Draft for Suggestions), changing the qualification of clinical trial institutions into record management, thus optimizing the clinical trial review process and improving the ethics committee mechanism
June 9 2017	The SDA General Office issued the “Announcement on the Relevant Matters Concerning the Evaluation of the Quality and Efficacy of Generic Drugs" (Draft for Suggestions); meanwhile, the acceptance review guide was announced. It marked the overall advancement of the bioequivalence study of generic drugs and further clarifies the work details and specific systems
August 21 2017	The SDA issued the "Notice of Promoting the Pilot Work of the Drug Marketing Authorization Holder System". The "Notice" specifies the need to advance the pilot work, emphasize the holder's legal responsibility, and clarify the holder's contract manufacturing and other related systems
October 8 2017	The General Office of the CPC Central Committee and the General Office of the State Council formally issued the "Opinions on Deepening the Reform of the Review, Audit and Approval System to Encourage the Innovation of Drugs and Medical Devices". The Opinions require accelerating the review and approval of clinical trial and drug marketing, and strengthening the protection and medical insurance support of the life cycle of innovative drugs, thus promoting the marketing authorization holder (MAH) system
October 23 2017	The SDA issued the amendment of "Drug Administration Law (Draft of Consultation Opinions)" and the opinions of "Drug Registration Regulations (Revised Draft)". The draft clarified the relevant responsibilities of marketing authorization holders, introduced the establishment of a professional drug inspector system, simplified administrative approvals, and toughened penalties
December 20 2017	The SDA issued the "Technical Guidelines for the Conditional Approval of Marketing of Urgently Needed Drugs (Draft of Consultation Opinions)." Innovative drugs for the treatment of diseases that are seriously life-threatening and for which there is no effective treatment can be approved for marketing on the basis of special conditions. The implementation of the "Guidelines" can significantly shorten the time for research and development and clinical trial. Drugs can be provided earlier to meet the demands of patients
March to May 2018	The National Health Commission of the People’s Republic of China was established in March 2018, the State Administration for Market Regulation (affiliated to the SDA) was established in April 2018, and the State Medical Insurance Administration was established in May 2018
April 3 2018	The State Council issued “Opinions on Reforming and Improving the Policy for Supply Guarantee and Use of Generic Drugs”, and made comprehensive and detailed regulations on the specific policies of R&D, quality evaluation, manufacturing and circulation of generic drugs
May 23 2018	The SDA, and the National Health Commission jointly issued “Announcement on the Relevant Matters Concerning the Optimization of Drug Registration, Review, and Approval”, stipulating that the drugs marketed overseas for the prevention of diseases that are seriously life-threatening and have no effective treatments and drugs for rare diseases can submit the clinical trial data obtained overseas to directly file new drug applications
June 20 2018	During the State Council executive meeting, Premier Li Keqiang requested a simplified requirement for the approval of drugs for the treatment of rare diseases and some drugs for the prevention of diseases that are seriously life-threatening, for which all research data obtained overseas could be submitted for drug approval. The meeting also requested that the prices for anticancer drugs be reduced at a faster pace. Policies and regulations on tariff, VAT and drug price reduction were introduced by many departments thereafter

Data Source: SDA, Company research

Note:

1. Formerly the CFDA, restructured and renamed in April 2018.

Industry Policy Reform Deepens

Current Situation

- **Continuing to speed up new drug application**
  - According to DXY Insight, CDE has received 3,553 applications in 2018, involving 1,770 drug varieties, **an increase of 62% over the same period last year** (1,092 drug varieties last year), translating to an average of 300 varieties each month.
  - According to Pharmcube, as of June 15, 2018, CDE has issued a total of 30 batches of proposed priority review lists, announced 555 drugs to be included in the priority review, and eventually included 597 drugs.
- **Full implementation of the 2017 National Reimbursement Drug List**
  - A large number of innovative drugs with proven efficacy and obvious clinical benefit were included in the 2017 NRDL. Together with the dynamic adjustment mechanism of the negotiation list, more innovative drugs with proven efficacy and urgent clinical needs will be covered by the reimbursement system. Meanwhile, many adjuvant drugs have been restricted or even removed from the reimbursement list.
- **Mandatory bioequivalence study ("BE study") implemented, and preferential policies for tendering introduced**
  - As of late June, there have been 4 batches of product catalogs of generic drugs that have passed the BE study regarding drug quality and efficacy, including 24 varieties, and 41 variety specifications.
  - About 12 provinces (autonomous regions and municipalities) have announced preferential policies in the tendering process for generic drugs that have passed BE study.
- **Price reduction for anticancer drugs**
  - On June 20, 2018, Premier Li Keqiang presided over the State Council executive meeting, and requested a simplified requirement for the approval of drugs for the treatment of rare diseases and some drugs for the prevention of diseases that are seriously life-threatening, for which all research data obtained overseas could be submitted for drug approval. The meeting also requested that the prices for anticancer drugs be reduced at a faster pace.
  - Policies and regulations on tariff, VAT and price reduction regarding anticancer drugs are being introduced recently.

Implication to the Industry

Innovative drug is expected to receive more government support

Higher generic drug quality and more regulated competition

Improved patient affordability and intensified competition among pharmaceutical companies

Greater chance for anticancer drugs to be included in NRDL

Acceptance of overseas clinical trial data

Data Source: SDA, Company research

History and Key Milestones

Interfen
(interferon alpha-2a)

Inleusin
(interleukin 2)

EPIAO
(rhEPO)

TPIAO
(rhTPO)

IV Sucrose
(Iron Sucrose)

SEPO (rhEPO)
Sparin (LMWH-Ca)

Wansheng
Product Portfolio

Yisaipu (rhTNFR-Fc)
Byetta (exenatide)
Bydureon
(Long-acting exenatide)

Humulin (insulin)
Shinuo (Fluticasone Propionate Cream)

TRK-820 ("REMITCH")
Laizi (Tacrolimus Ointment)
Calcium Acetate Tablet

1993 — Established Shenyang Sunshine, the major operating subsidiary of our Company

1995 — Listed on Nasdaq

1996 — Privatized by a consortium led by management and CPE and delisted from Nasdaq

1998 — Acquired Sciprogen and Sirton (Italy)

2005 — Listed on Hong Kong Stock Exchange
Acquired Zhejiang Wansheng
Added to Hang Seng Composite LargeCap & MidCap Index

2006 — Raised equity interest in Sunshine Guojian to 97.8%
Entered into exclusive license agreement with AstraZeneca in respect of Byetta and Bydureon

2007 — Added to MSCI China Index
Ranked 85th of the top 100 pharmaceutical company in China in the "2015 China Pharma 100" list issued by CPIIC. One of the Best Pharmaceutical R&D pipeline companies in China

2013 — TPIAO, Yisaipu and Qiming Keli included in 2017 NDRL
Entered into exclusive license agreement with Lilly China in respect of Humulin

2014 — Raised EUR300 mm via convertible bonds

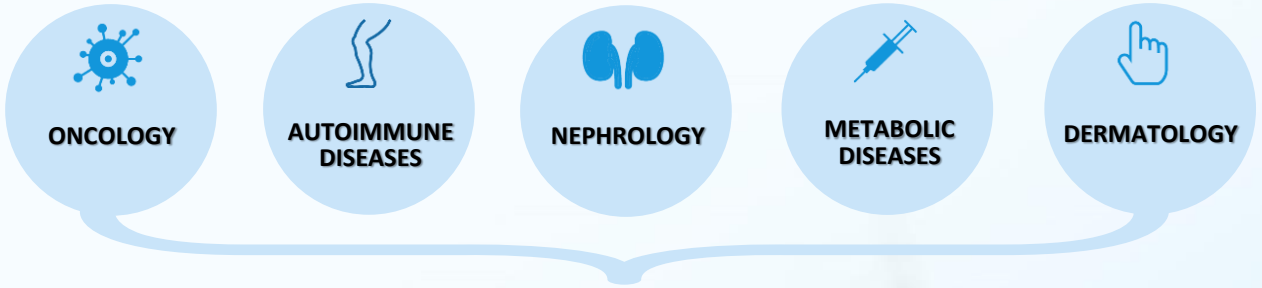
2015 — Received marketing approval from SDA of Fluticasone Propionate Cream for multiple dermatological disorders

2016 — Bydureon was launched in China as the first-to-market once-weekly therapy for type 2 diabetes in China

2017 — Received marketing approval from SDA of Tacrolimus Ointment for pediatric indication
Entered into exclusive license agreement with Toray in respect of TRK-820 ("Remitch")

2018 — Entered into research collaboration with Refuge Biotechnologies, Inc. ("Refuge") on developing Programmed Therapeutic Cells
Entered into an agreement with a Beijing based Pharmaceutical company "BMT "to acquire a calcium acetate tablet

Outlook and Future Strategies



Innovative Biologics & Core Product Portfolio

China-based Global Leader in Biologics

- In the next 10 years, 3SBio will launch 30+ new products with at least half being innovative biological products

R&D

- Focused R&D on innovative biologic products
- Further integrate the R&D platform for the discovery & development of antibody and biologic drugs
- Prioritize investment in clinical trials, expedite clinical trials and product launch

Manufacturing

- Create opportunity with existing capacity and well prepare for the manufacturing of new products
- Build up comprehensive quality system to manufacture high quality pharmaceutical products at competitive cost
- Complete the construction of new manufacturing facilities with adherence to global standard

Sales and Marketing

- Build the leading sales and marketing team in our focused areas
- Expand our BROAD market network to penetrate wider market
- Leverage commercialization platform by adding more products

Investment and Alliance

- In-license promising drugs
- Further seek equity investments aligning with company strategy
- Build up industry ecosystem

Section 1

Investment Highlights

Investment Highlights

1. Leader in the Highly Attractive PRC Biotechnology Industry
2. Market-Leading Products with Significant Growth Potential
3. Focused and Innovative Product Pipeline with Steady Growth Expected
4. Leading Commercial Platform Supported by Extensive Sales Network
5. Comprehensive Manufacturing Platform with Strategic CDMO Capabilities
6. Excellent Track Record in Growth and Profitability
7. Experienced and Visionary Management Team Leading the Growth

Leader in the Highly Attractive PRC Biotechnology Industry

Well-Positioned to Capture Vast Industry Opportunities

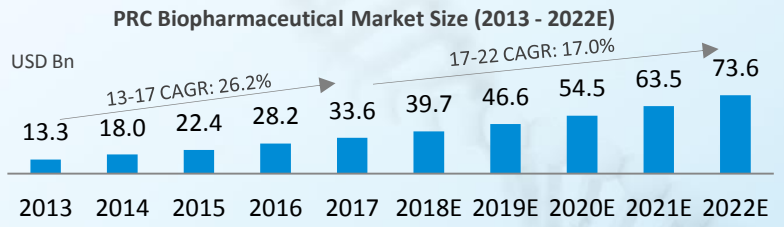
Pioneer in the PRC Biopharmaceutical Industry

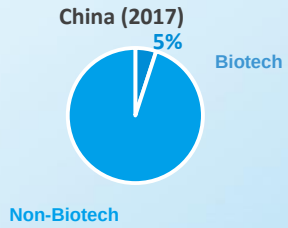
- A pre-eminent player with **7** approved biological products in China's fast growing biopharmaceutical industry
- **32** pipeline candidates, and **8** IND approvals were received in 2017 and H1 2018
- Operates **11** antibody bioreactors with over **38,000** liter capacity
- Small molecule production plant, mammalian cell based production plant, and bacterial cell based production plant
- Leading commercial platform with **2,727** sales and marketing employee focusing on oncology, rheumatology, nephrology, metabolic and dermatology
- Strong emphasis on academic marketing, covering over **13,000** hospitals and medical institutions, including over **2,000** Grade III hospitals

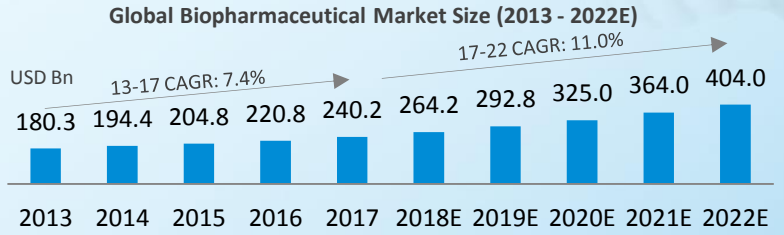
Highly Attractive PRC Biotechnology Market

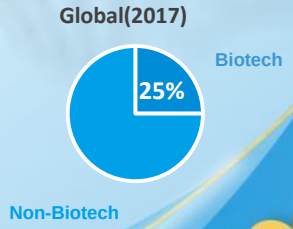
- Strong government policy support
- Substantial unmet demand and low penetration
- Increasing physician awareness and adoption of biopharmaceuticals

Still in Early Stage Compared with Global Market





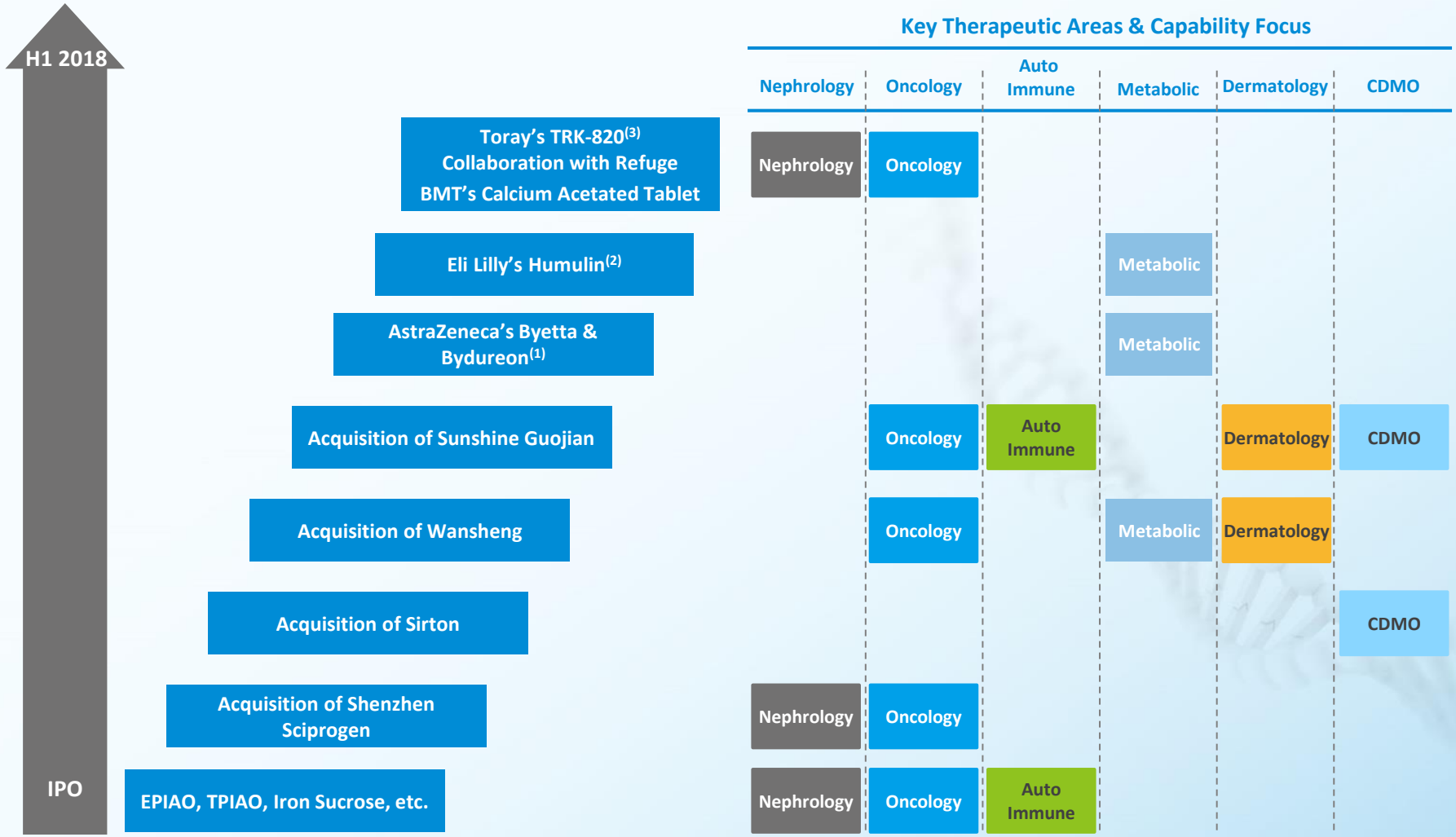




Source: Frost & Sullivan, EvaluatePharma, Clarivate Analysis, Company Research

Leader in the Highly Attractive PRC Biotechnology Industry (Cont'd)

Strengthened Leadership by Expanding to Areas with Significant Growth Potential



Note:

1 Exclusive commercial rights in PRC for 20 years
2 Exclusive commercial rights in PRC for 10 years
3 Exclusive commercial rights in PRC for certain period

Market-Leading Products with Significant Growth Potential

Attractive Products with Unique Value Positions and Significant Growth Potential

TPIAO
rhTPO

- Self-developed and the only commercialized rhTPO product in the world
- Higher efficacy, faster platelet recovery and fewer side effects compared to alternative treatments for CIT and ITP
- Achieved a market share of **63.2%** in H1 2018[1]. Demonstrated strong hospital sales growth of 101.0% in H1 2018 according to IMS
- The first choice in second line treatments list per PRC ITP Experts Consensus
- Adopted in the Guidelines of Chinese Society of Clinical Oncology Conventional Osteosarcoma as one of the primary treatments of CIT
- **Inclusion in 2017 NRDL as a class B drug**
- INDs approved for surgery patients with hepatic dysfunction at the risk of thrombocytopenia and pediatric ITP indication

Yisaipu
rhTNFR-Fc

- Launched in 2005 as a first-to-market drug
- Indicated for the treatment of rheumatoid arthritis, plaque psoriasis and ankylosing spondylitis
- On 3 treatment guidances (the experts consensus on the Treatment of Childhood Idiopathic Arthritis, the Rheumatoid Arthritis Treatment Guidance and the Ankylosing Spondylitis Treatment Guidance)
- Boasts a dominant market share of **63.5%**[2] in China in H1 2018. Demonstrated strong hospital sales growth of 36.9% in H1 2018 according to IMS
- **Inclusion in 2017 NRDL as a class B drug**
- The Group has completed phase III trial for prefilled syringe of Yisaipu and is expecting to apply for manufacturing approval in H2 2018

EPIAO
rhEPO

- Consistently ranked #1 in the PRC rhEPO market in terms of sales and volume since 2002; market share reached **41.3%**[2] in H1 2018 (together with SEPO)
- The only rhEPO product approved for all three indications by SDA in China

SEPO
rhEPO

- Second brand rhEPO of the Group
- Increased our penetration into Grade II and Grade I hospitals
- Market share reached **12.0%**[2] in H1 2018, compared to **3.3%**[2] in 2013

Byetta/Bydureon
Exenatide
Long-acting exenatide

- GLP-1 products in-licensed from AstraZeneca in Oct 2016
- The first to market long-acting GLP-1 product in China
- Tap into diabetes field and further enhance our product portfolio
- Innovative drug addressing significant unmet medical needs

Humulin
rh Insulin

- Insulin products in-licensed from Eli Lilly in May 2017
- Further enhance the product portfolio of diabetes
- Better leverage existing diabetes marketing and promotion team to improve productivity
- Further penetrate into broad market and achieve the synergy with existing products

Note:
1 Treatment for thrombocytopenia category in QuintilesIMS data
2 QuintilesIMS data

Market-Leading Products with Significant Growth Potential (Cont'd)

TPIAO

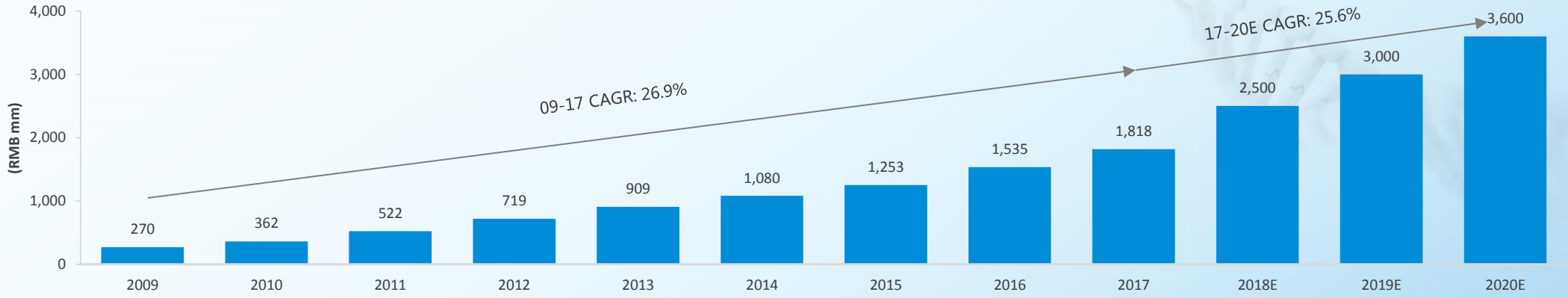
China's rhTPO Market is Still Under-Penetrated

Indications	Target Patients in China	
Chemotherapy-Induced Thrombocytopenia (CIT)	**Chemo patients with Thrombocytopenia** ~374,000	**TPO penetration: ~17.4%** ~65,000
	Target Patient Population	Patients Received TPO Treatment
Idiopathic Thrombocytopenia (ITP)	**Moderate / Severe ITP** ~129,000	**TPO penetration: ~18.9%** ~24,500
	Target Patient Population	Received TPO Treatment

rhTPO: A Safer and More Effective Treatment Option for CIT and ITP Patients

	rhTPO	rhIL-11	Eltrombopag
Efficacy	• More effective in increasing platelet production than other therapies • Total efficacy rate is the highest among CIT and ITP therapies • Short average period until platelet recovery	• Total efficacy rate is relatively high • Average period until platelet recovery is longer than rhTPO therapy	• Total efficacy rate is relatively high • Average period until platelet recovery is longer than rhTPO
Side effects and Other Constraints	• High safety • Low side effects	• Cardiotoxicity • Peripheral edema • Conjunctival redness	• More convenient • High cost • Liver toxic
Indication	• CIT & ITP	• CIT	• ITP

Attractive Growth of CIT Treatment Market



Source: QuintilesIMS, Company analysis, Frost & Sullivan

Market-Leading Products with Significant Growth Potential (Cont'd)

TPIAO

- First to market
- Higher efficacy, faster platelet recovery and fewer side effects compared to alternative treatments for CIT and ITP
- Achieved a market share of 63.2% in H1 2018[1], and demonstrated strong hospital sales in H1 2018. Hospital sales grew 101.0% in H1 2018 according to IMS.
- The first choice in second tier treatments list per PRC ITP Experts Consensus
- Adopted in the Guidelines of Chinese Society of Clinical Oncology Conventional Osteosarcoma as one of the primary treatments of CIT
- Inclusion in 2017 NRDL as a class B drug
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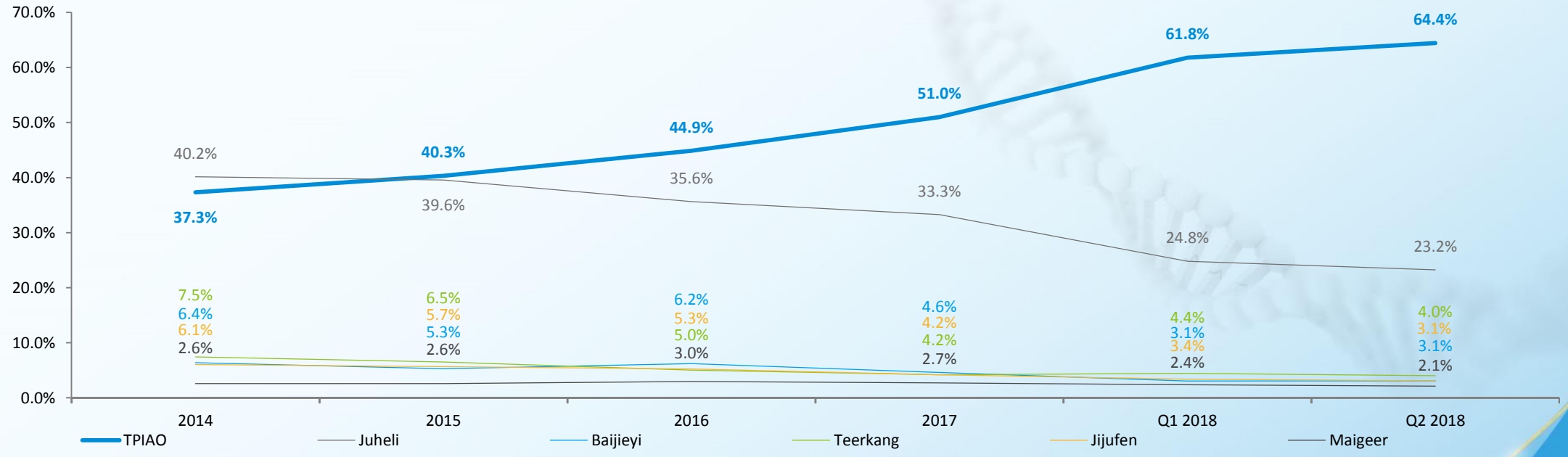
Dominant rhTPO Leadership in China



Source: QuintilesIMS

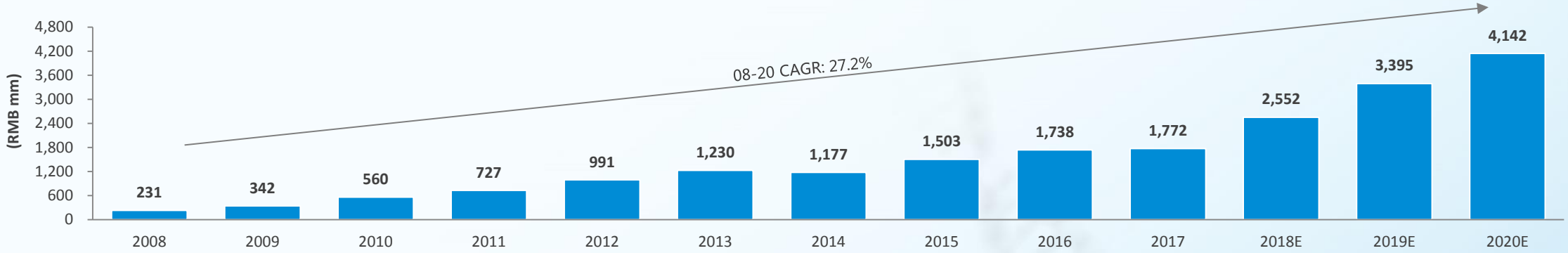
1 Treatment for thrombocytopenia category in QuintilesIMS data

Market-Leading Products with Significant Growth Potential (Cont'd)

Yisaipu

Rapid Growth of China Anti-TNF Market in the Past Decade…

Anti-TNF Therapies' Sales Reached approximately RMB1.8 bn in China in 2017

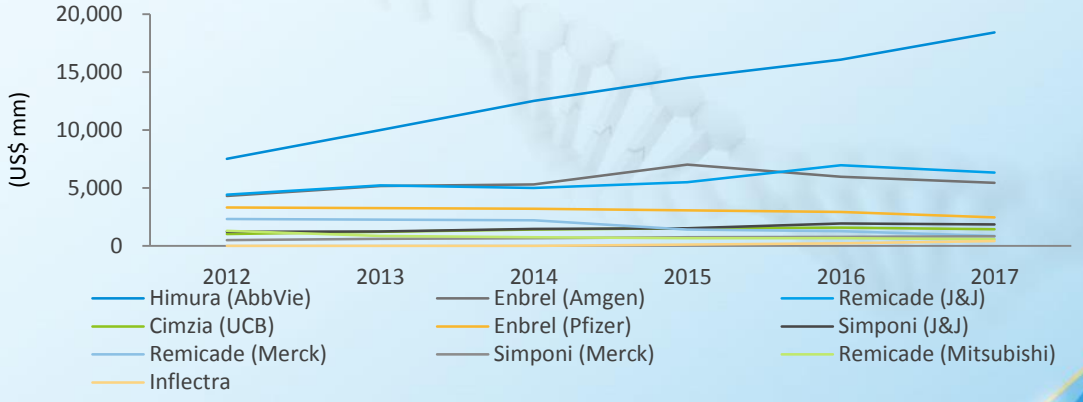


…But Market Penetration Still Very Low

Indications	Target Patients in China	
rheumatoid arthritis (RA)	~5,000,000 Target Patient Population	Anti-TNF Drugs penetration: ~1% 50,000 Received Anti-TNF Treatment
Ankylosing Spondylitis (AS)	~4,000,000 Target Patient Population	Anti-TNF Drugs penetration: ~1.63% 65,000 Received Anti-TNF Treatment

Leading Global Anti-TNF Drugs Achieved Huge Success

Global Sales of top Anti-TNF Drugs



Source: Company data, research reports

Market-Leading Products with Significant Growth Potential (Cont'd)

Yisaipu

- First to market Anti-TNF drug
- Indicated for the treatment of rheumatoid arthritis, plaque psoriasis and ankylosing spondylitis
- On 3 treatment guidances (the experts consensus on the Treatment of Childhood Idiopathic Arthritis, the Rheumatoid Arthritis Treatment Guidance and the Ankylosing Spondylitis Treatment Guidance)
- Boasts a dominant market share of 63.5% in China in H1 2018 and demonstrated strong hospital sales in H1 2018. Hospital sales grew 36.9% in H1 2018 according to IMS.
- Inclusion in 2017 NRDL as a class B drug
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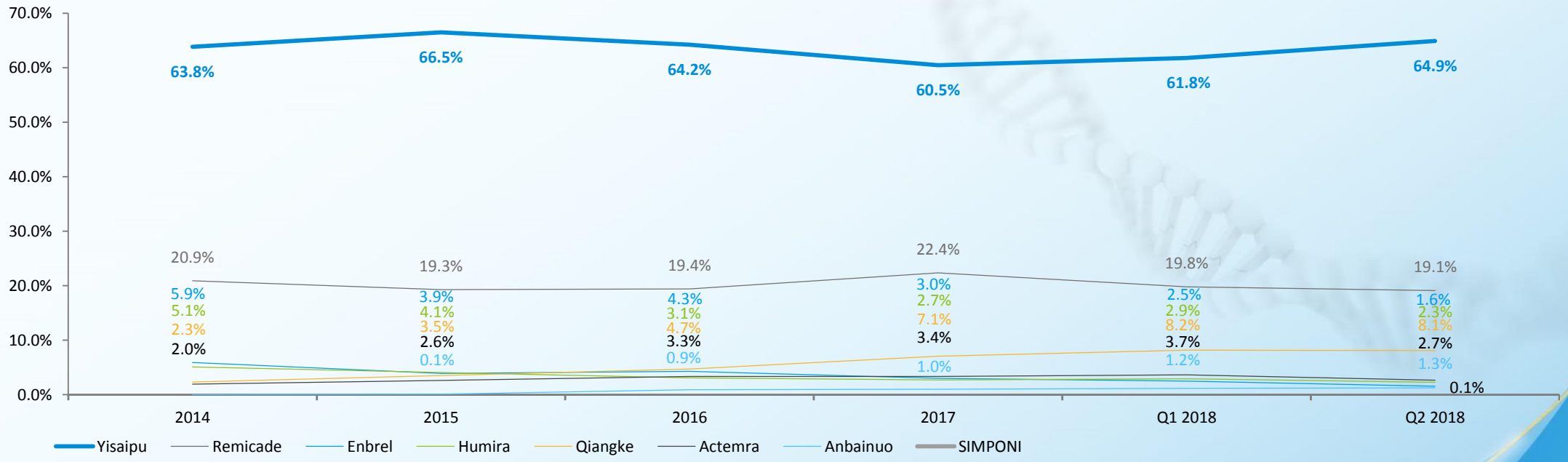
Dominant Anti-TNF Leadership



Source: QuintilesIMS

Market-Leading Products with Significant Growth Potential (Cont'd)

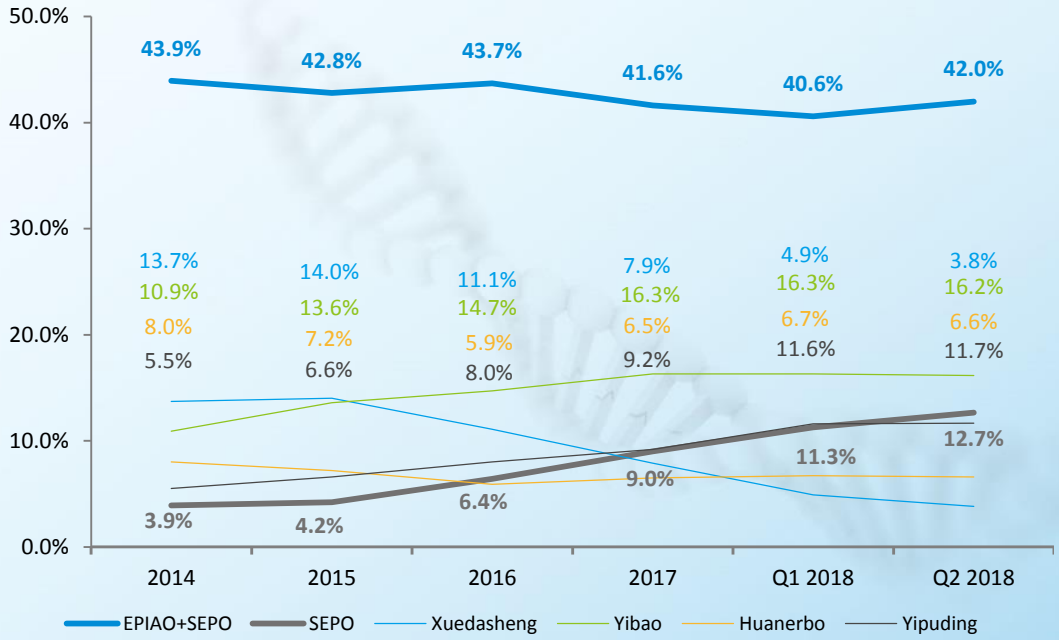
EPIAO and SEPO

- EPIAO has been market leader in China's rhEPO market for over a decade, consistently ranking #1 in terms of revenue and volume since 2002
  - — Market share reached 41.3% in H1 2018 (together with SEPO)
- SEPO is our second brand rhEPO product and expanded our market coverage, especially in Grade II and Grade I hospitals
  - — Market share reached 12.0% in H1 2018, compared to 3.3% in 2013

China's rhEPO Market is Still Under-Penetrated

Indications	Target Patients in China
Non-ESRD[(1)]	**Non-ESRD** — ~ 5,000,000 Target Patient Population; **EPO penetration: ~9%** — ~ 470,000 Patients Received EPO Treatment
End stage renal disease (ESRD)	**ESRD** — ~2,000,000 Target Patient Population; **EPO penetration: ~28%** — ~575,000 Received EPO Treatment

Consistent Market Leadership



Source: QuintilesIMS, Frost & Sullivan

Note:
1 Non-ESRD includes chemotherapy-induced Anemia (CIA) and perioperative erythrocyte mobilization

Market-Leading Products with Significant Growth Potential (Cont'd)

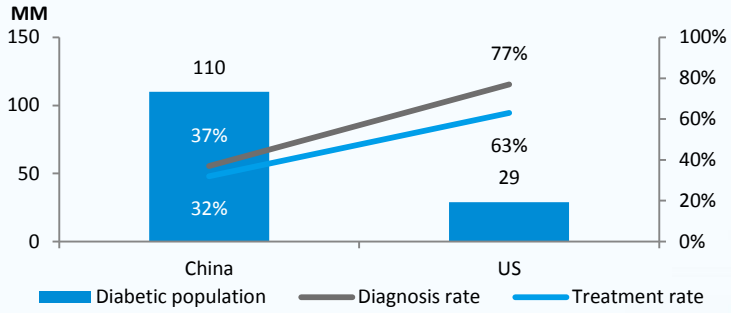
Diabetes Franchise (Humulin and GLP-1)

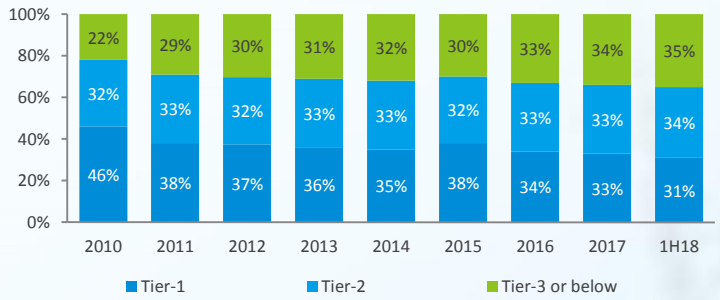
China Diabetes Market Is Large and Underpenetrated with Tremendous Growth Potential

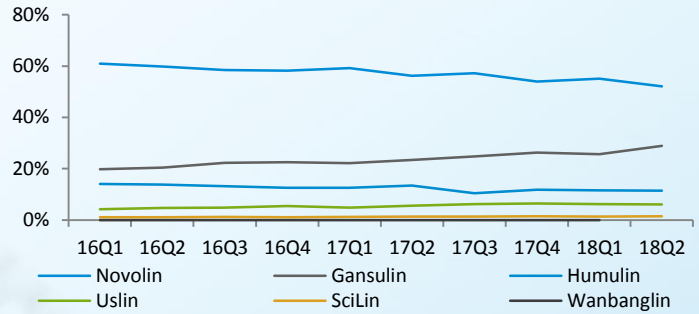
- China has the largest diabetes population in the world
- Pre diabetes patients population is even larger
- The diagnosis rate and treatment rate in China are relatively low

- Tiered medical service system will push more patients flow to lower tier market.
- The new NRDL includes human insulin as category A drug, which will be more favorable to patients in lower tier market

- Humulin market share dropped in Q3 2017 due to the transition period and bounced back in Q4 2017.
- Focus on treating more new patients and strengthen investments in county level market
- Collaborate with distributors and DTP pharmacies to penetrate into wider market

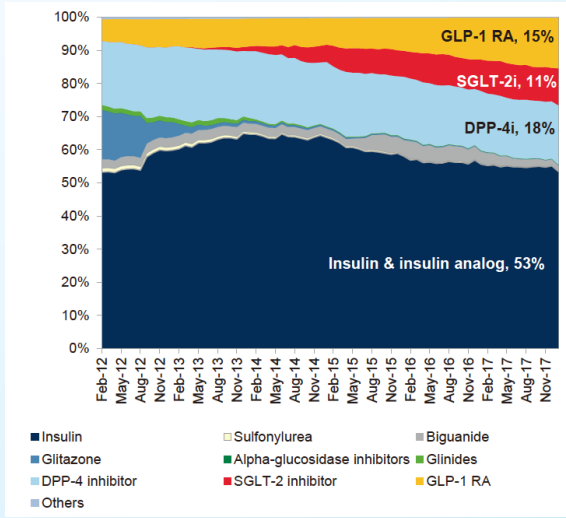




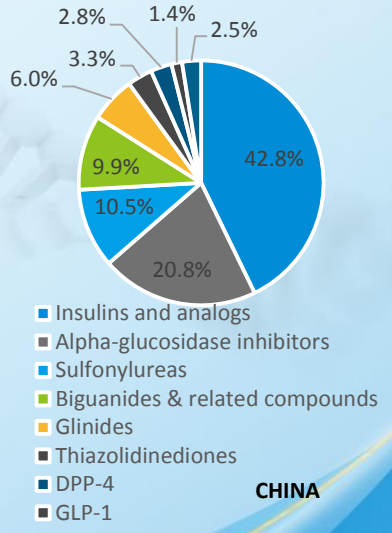


GLP-1 and Insulin Outperformed the Overall Anti-diabetic Segment Globally…

- GLP-1 class demonstrated rapid growth in global market
- China market is very under penetrated as compared to global market
- Bydureon is the first to market long acting GLP-1 in China, which may largely improve the patient's compliance as an innovative therapy for type 2 diabetes



US



CHINA

Source: Pharma Trust 690 sample hospitals, Morgan Stanley Research, Goldman Sachs Research, International Diabetes Federation, China Diabetes Society, QuintilesIMS

Robust and Innovative Product Pipeline Supported by Integrated R&D Platform

- **4 R&D centers with both biologics & chemical drugs platforms**
- **National Engineering Research Center for Antibody Drugs**
- **Multiple Research Topics Supported by 13th Five-Year Major Drug Development Project**

- **73** national patents , **30 +** launched products , **32** product candidates , among which we have **17** National Class I New Drugs
- Covering **oncology, auto-immune diseases, nephrology, metabolic, dermatology and other areas**

R&D centers in 3SBIO


Shenyang – Biologics/Chemicals


Shanghai - Biologics


Shenzhen - Biologics


Hangzhou - Chemicals

- Department of Research
- Department of Registration Affairs
- Department of Clinical Development
- Department of Intellectual Property
- Department of Project Management and External collaboration
- Department of International Business

Robust and Innovative Product Pipeline Supported by Integrated R&D Platform

R&D Strategies

- The Group's core therapeutic areas are Oncology, Immunology, Nephrology, Metabolic diseases and Dermatology
- The Group focuses its R&D on innovative biologics products, supplemented by the development of small molecule and generic drugs
- Continuously streamline and prioritize existing pipelines
- We expect, on an average, to receive one new drug and/or new indication approval for Class I drug, and 2-3 IND approval each year
- The Group plans to expand its pipeline and therapeutic areas through both internal research and external collaboration and partnership
- Development of new technology platforms, and initiating new research programs in the area of our expertise, via both in-house efforts and in-licensing opportunities
- Enhancement of in-house clinical development capacity and capability, via preferable investment in both manpower and financial resource

Recent Major Progress

- Bydureon: the first long-acting weekly-dosing GLP-1 receptor agonist on China market, was approved by the SDA as a new treatment option to improve glycemic control for patients with type-2 diabetes in January 2018. The Group has launched the product, in May 2018
- 302H: The Group has completed a thorough inspection and audit of all the clinical sites and the associated clinical data, finalized the clinical study report, and re-submitted a new drug application to the SDA recently
- 301S: The Group has completed the Phase III trial of the prefilled syringe dosage form of Yisaipu and is preparing the final study report in order to apply for manufacturing approval from the SDA in the second half of 2018
- 602: The Group has completed patient enrollment for a phase I trial, and is currently planning phase III pivotal trials in patients with colorectal cancer
- SSS06: The Group has completed multiple Phase I trials of NuPIAO in anemic patients, and obtained an approval from SDA in May 2018 for Phase II and Phase III clinical trials. Patient enrollment is expected to begin soon.
- TPIAO: The Group has begun patient enrollment for TPIAO in surgery patients with hepatic dysfunction at the risk of thrombocytopenia. In addition, the Group was granted a new IND approval from the SDA for clinical trials of TPIAO in pediatric ITP indication in February 2018
- 601A: The Group is initiating patient enrollment in the phase I AMD trial. In addition, the Group received three additional clinical trial approvals from the SDA in June 2018 for this product for the treatment of other ophthalmic diseases, including macular edema following retinal vein occlusion (RVO), myopic choroidal neovascularization (mCNV), and diabetic retinopathy with macular edema (DME).

Robust and Innovative Product Pipeline Supported by Integrated R&D Platform (Cont'd)

Therapeutic Area	Product Candidate	Pre-Clinical	Clinical Trial Application	Phase I	Phase II	Phase III	New Drug Registration	Production Permit
Nephrology	SSS06							
	RD001							
	SSS17							
	SSS18							
	Nalfurafine hydrochloride							
	SSS12							
	SSS13							
Oncology	302H							
	304R							
	602							
	SSS24							
	609A							
	612							
	704							
	705							
Auto-Immune Diseases and Other Areas	301S							
	SSS07							
	SSS11							
	601A							
	TPIAO – Hepatic disease							
	TPIAO - Pediatric ITP							
	AP506							
	SSS20							
	SSS32							
	608							
	610							
	611							
Metabolic Diseases	Bydureon DCP							
	SSS26							
Dermatological Diseases	KW303							
	MN709							
	ND409							

Monoclonal Antibody Other Biologics Small Molecular Drugs

Robust and Innovative Product Pipeline Supported by Integrated R&D Platform (Cont'd)

Preclinical Pipeline Highlights

Code	Name	Estimate IND Time							
		2018		2019				2020	
		3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
608	a humanized anti-IL17 antibody	●							
609A	a humanized anti-PD1 antibody *		●						
610	a humanized anti-IL5 antibody				●				
611	a humanized anti-IL4R antibody						●		
612	a humanized novel anti-HER2 antibody that synergizes with 302H for greatly enhanced antitumor activity (with different binding epitope and MOA compared to Perjeta)							●	
704	an anti-PD1 x anti-tumor target 1 bispecific antibody							●	
705	an anti-PD1 x anti-tumor target 2 bispecific antibody								●
Others	several other anti-tumor bispecifc antibodies and bifunctional fusion proteins							2020 and beyond	

** US FDA and SDA IND*

Strong In-House Sales Capability Enabling Us to Effectively Promote and Sell Innovative Pharmaceuticals

Emphasis on Academic Marketing

- Established and maintained strong relationships with leading hospitals and medical professionals
- Promoted and strengthened our academic recognition and brand awareness among medical experts

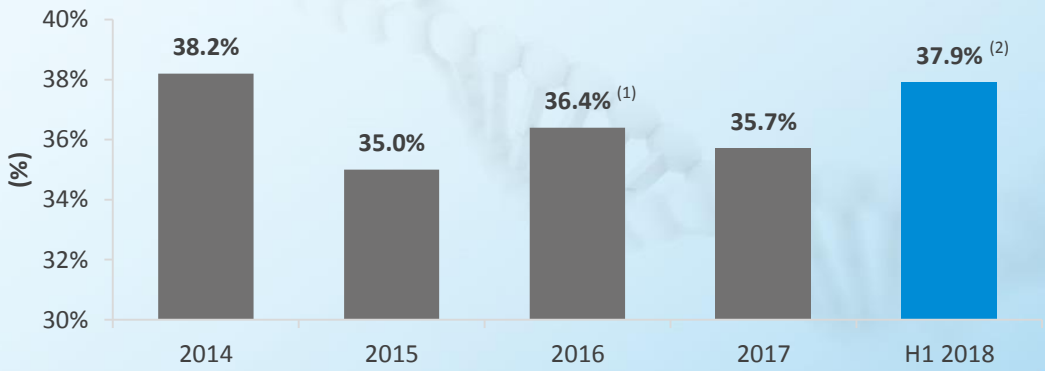
Effective Marketing Strategies

- Marketed and promoted the majority of our products mainly through our in-house sales and marketing team
- Relied on third-party promoters to market other products
- DBU was established with the aim to penetrate into lower tier market
- Collaborate with distributors and DTP pharmacies to reach the wider market
- TPIAO, Yisaipu, EPIAO, SEPO and some of our other products are exported to a number of countries through international third-party promoters

Extensive Sales and Distribution Network

- 2,727 sales and marketing employees, 345 distribution agencies and 1,561 third-party promoter agencies as of 30 June 2018
- Covered over 2,000 Grade III hospitals and over 11,000 Grade II or lower hospitals and medical institutions, reaching all provinces, autonomous regions and special municipalities in the PRC as of 30 June 2018

Sales and Distribution Expenses As % of Revenue



Notes:

1 The increase was mainly attributable to the consolidate of Byetta since 11 October 2016, which requires higher level of investments in marketing activities at the early stage of its product life cycle

2 The increase was mainly attributable to the increased promotion activities for the Group's key products, especially TPIAO and Yisaipu, as well as the marketing activities associated with the launch of Bydureon

Comprehensive Manufacturing Platform with Strategic CDMO Capabilities

Strong and Comprehensive Manufacturing Capability

Manufacturing Platform

Shenyang Facility

- In 2018, the mammalian cell-based production plant and the bacterial cell-based production plant were both certified under the latest edition of the Chinese GMP by the SDA
- Primarily for the manufacturing of TPIAO and EPIAO

Shenzhen and Songshan Lake (under construction) Facilities

- In 2016, the Shenzhen production plant was certified under the latest Chinese GMP
- Mammalian cell-based production plant for manufacturing SEPO

Hangzhou Facility

- Chinese GMP certified chemical drug production lines in 2010
- Small molecule production plant

CDMO Capabilities

China CDMO Platform




- 38,000L mAb facility which can establish the profitable and most sophisticated mAb CDMO player in China
- Proven track record on large scale commercial manufacturing with competitive cost
- Advanced pilot-scale antibody drug conjugate（“ADC”）facility with GMP capabilities

Europe CDMO Platform




- Offers fill/finish service to its customers
- Total surface: 10,800 m^2 ; warehouse: 2,400 m^2
- Significant capacities in vial filling, lyophillization, pre-filled syringe filling, ampoules and vial packaging

Comprehensive Manufacturing Platform with Strategic CDMO Capabilities (Cont'd)

Complete Quality System Voluntarily Adhering to Global Standards

- Certified plant by 11 countries, including Ukraine, Brazil and Mexico
- QA personnel represent 20%+ of all manufacturing employees at the site
- QA Director has 20+ years of experience in pharmaceutical manufacturing and quality control, took leading roles at MNCs and was engaged in the drafting of national pharmaceutical guidelines and standards
- Pegsiticase manufactured at Shenyang facility could be used for the clinical trials in the US

- Certified plant by countries including Colombia, Brazil, Mexico and Ukraine
- Passed EU QP audit
- QA personnel represent 20%+ of all manufacturing employees at the site
- QA Director has 30+ years of pharmaceutical R&D, manufacturing and quality control experience, and is currently Vice Chairman of the Biomedicine Committee of Shanghai Pharmaceutical Association and Director of Shanghai Association for Quality
- Successfully passed all three spot checks since 2016

- All existing and new production lines are GMP certified in 2013 and 2016
- QA personnel represent 20%+ of all manufacturing employees at the site
- QA Director has 10 years of pharmaceutical R&D, manufacturing and quality control experience
- Successfully passed all six spot checks since 2016

- All 10 production lines for different dosage forms are GMP 2010 certified
- QA personnel represent 20%+ of all manufacturing employees at the site
- General manager has 10+ years of pharmaceutical R&D, manufacturing and quality control experience
- Has passed all six spot checks since 2016

- Serving world-renowned companies such as , Mylan and Sanofi
- QA personnel represent nearly 40% of all manufacturing employees at the site
- EU GMP certified production lines in Italy

QA/QC personnel 255, accounts > 20% of total manufacturing personnel 991 within the Group

Comprehensive Manufacturing Platform with Strategic CDMO Capabilities (Cont'd)

CDMO Strategic Rationale

Enhancing Asset Performance with our Service Capability

- Operates one of the largest mAb commercial facility in China, with free capacity being able to offer contracted manufacturing services worldwide
- More than a decade experiences in the commercial manufacturing of monoclonal antibodies with competitive costs

- cGMP Authorized by EU to manufacture injectable pharmaceutical products in various formats
- Owns a mature CDMO business with the established customers from core markets (EU, North America, etc.)

Capturing the Growing market Opportunity in Biological CDMO

- Demand for prescription drugs shifts to biologics worldwide
- Explosive growth of investments in innovative biologic R&D
- Biosimilar becomes hot spots in North America and EU markets
- Demand for biological CDMO service increases rapidly due to the high barrier to entry
- China MAH System creates a huge market opportunity in the CDMO business of commercial manufacturing in China

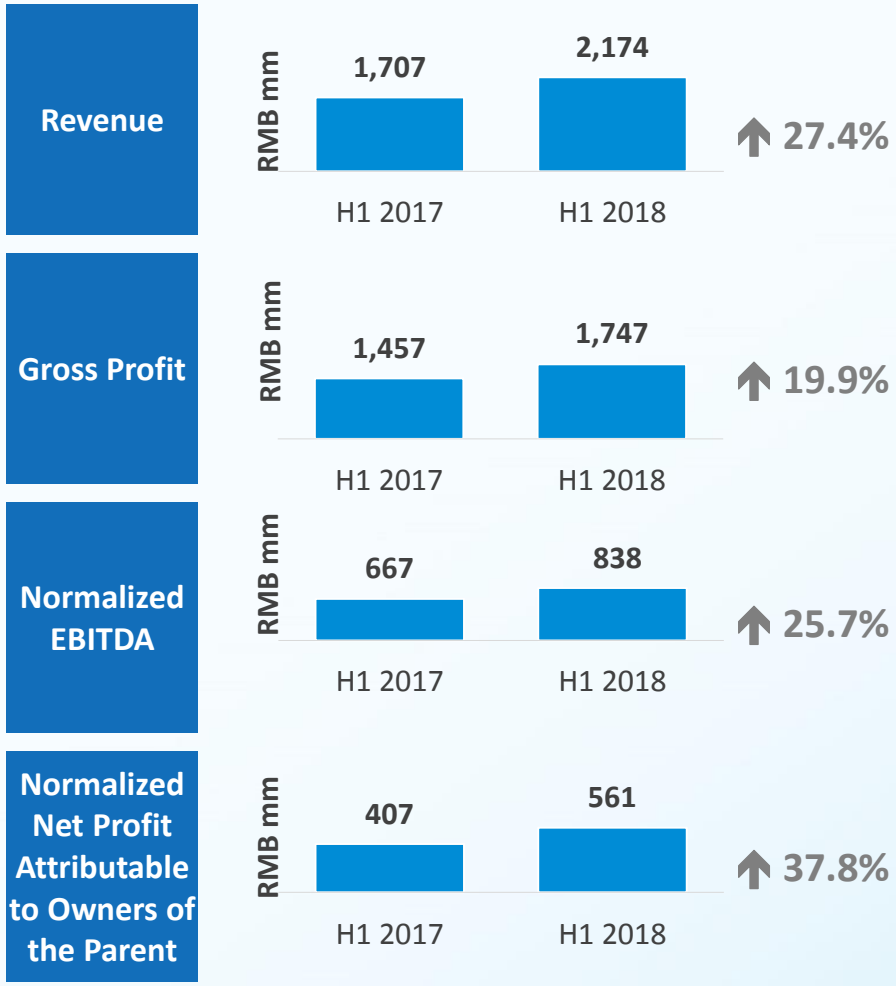
Promoting Revenue & Earning Growth, and Maximizing Shareholder Value

- Creates a new source of revenues through CDMO service in a short term
- Increase the operation efficiency and profitability by enhancing the fixed asset performance and capacity utilization in a mid term
- Intend to establish an independent, profitable and global biological CDMO business with a scale, credibility, capacity, capability and strong client base in several years
- Intend to maximize values for shareholders with available options based upon the market opportunity

Section 2

2018 Interim Results Highlights

2018 Interim Results Overview



Key Highlights of 2018 Interim Results

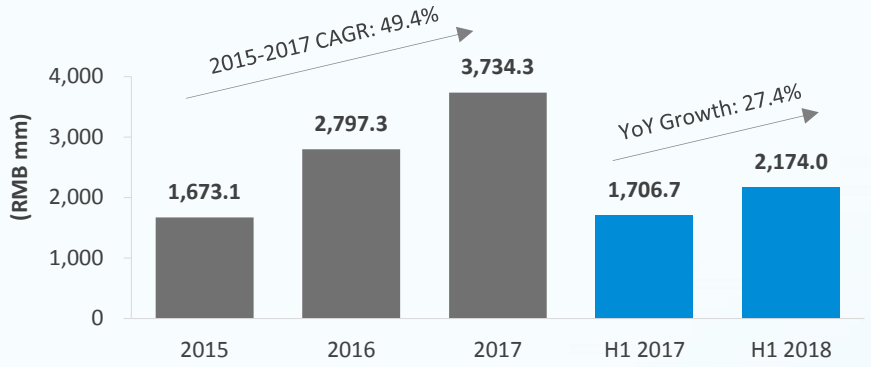
- New Growth
  - TPIAO achieved 70.7% revenue growth. Hospital sales grew 101.0% according to IMS
  - Yisaipu achieved 0.6% revenue growth. Hospital sales grew 36.9% according to IMS
  - EPIAO and SEPO achieved 4.3% revenue growth
  - Humulin contributed 5.5% overall revenue growth
- New Development
  - Completed Phase III trials of prefilled syringe of Yisaipu and expected to file manufacturing approval in H2 2018
  - Completed Phase III trials of Clindamycin Phosphate and Tretinoin Gel for topical treatment of acne vulgaris, and expects to file for manufacturing approval in H2 2018
  - Completed multiple Phase I clinical trials of NuPIAO (SSS06) and obtained an approval for Phase II and Phase III clinical trials
  - Completed patients enrollment for Phase I trials of 602 and is planning Phase III pivotal trials in patients with colorectal cancer
  - The Group has begun patients enrollment for TPIAO in surgery patients with hepatic dysfunction at the risk of thrombocytopenia. Received IND approvals for TPIAO's new indications for the pediatric ITP indication
  - Initiating patient enrollment in Phase I AMD trial of 601A. Received IND approvals for this product to conduct clinical trials in patients with macular edema following RVO, mCNV and DME
  - Resubmitted the NDA application of 302H to SDA
- New Products
  - Bydureon was launched in May 2018 in China as the first-to-market once-weekly therapy for type 2 diabetes in China
  - Fluticasone Propionate Cream obtained manufacturing approval in August 2017 and launched in March 2018
  - Tacrolimus Ointment was approved by SDA for pediatric indication in February 2018
  - Entered into an Exclusive License Agreement with Toray for the commercialization of TRK-820 ("Remitch")
  - Entered into research collaboration with Refuge on developing programmed therapeutic cells
  - Entered into an agreement with BMT to acquire a calcium acetate tablet

Section 3

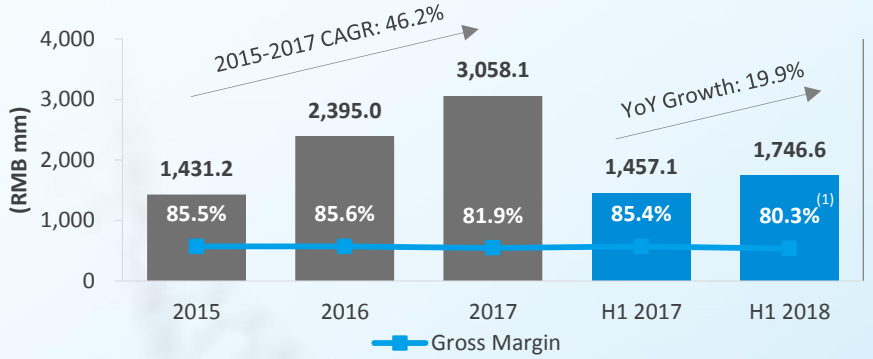
Financial Review

Robust Revenue and Profit Growth

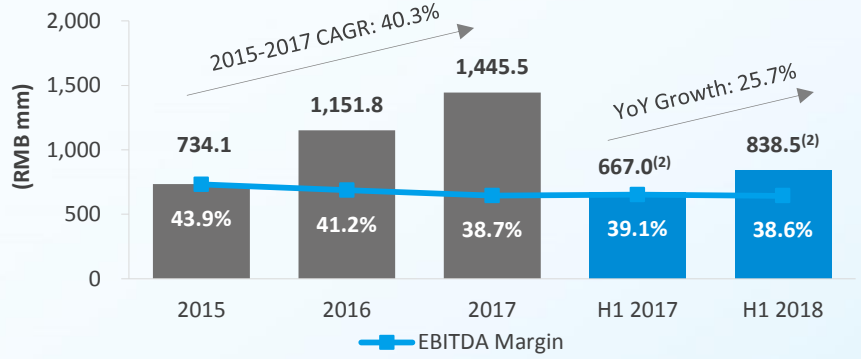
Revenue



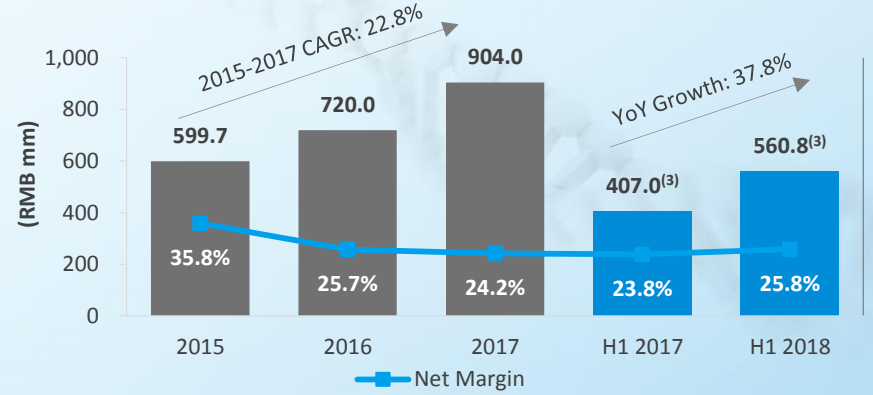
Gross Profit



Normalized EBITDA



Normalized Net Profit Attributable to Owners of the Parent



Note:

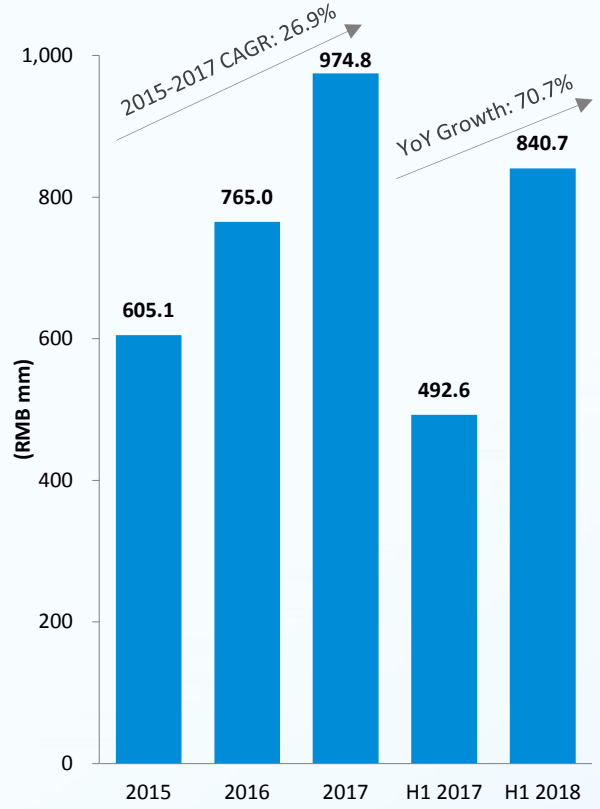
1 The decrease in gross margin is mainly attributable to the Group's consolidation of income associated with the promotion of Humulin, which had a lower gross margin compared to the Group's other businesses

2 Normalized EBITDA is defined as the EBITDA for the period excluding, as applicable:
(a) the expenses incurred in relation to the issuance of the Euro-denominated zero-coupon convertible bonds in an aggregate principal amount of €300,000,000 due 2022;
(b) the option expenses associated with the options granted on 2 February 2017.

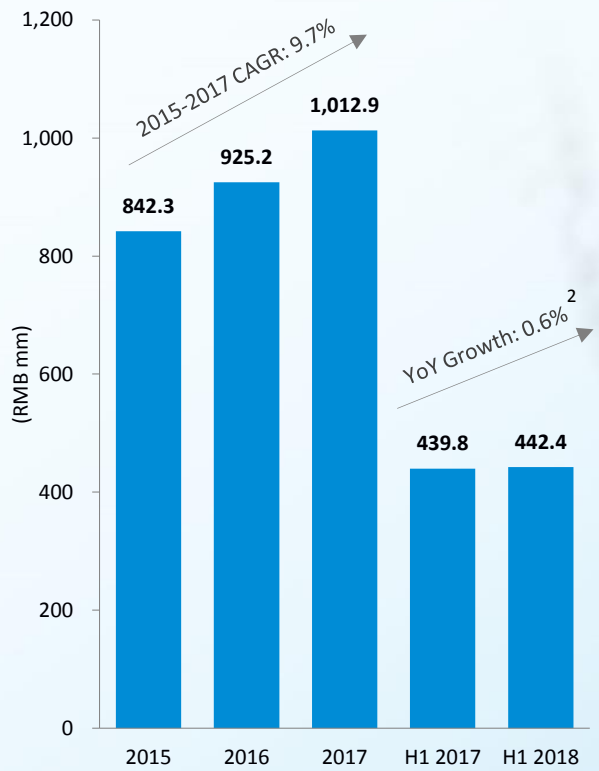
3 The normalized net profit attributable to owners of the parent is defined as the profit for the period excluding the same items as listed in Note 2 above.

Market-Leading Products with Strong Growth Momentum

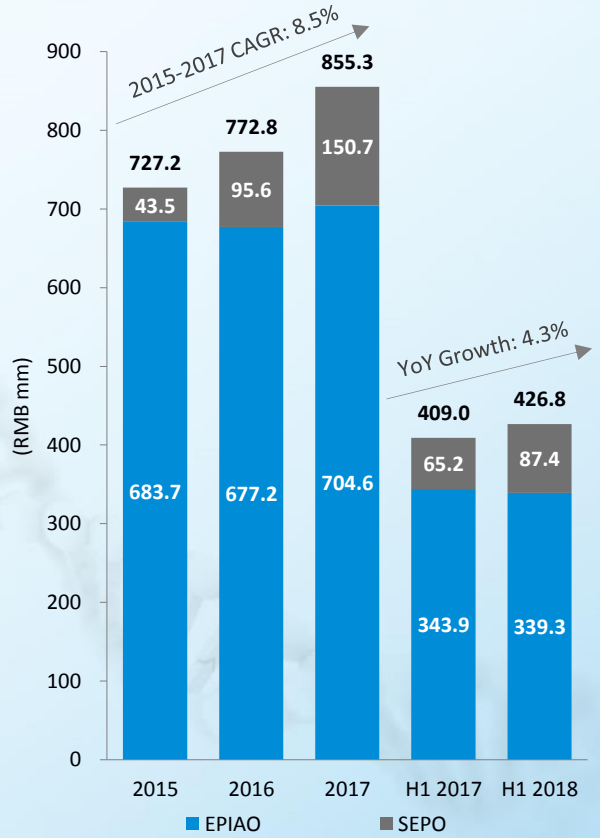
TPIAO



Yisaipu[1]



EPIAO + SEPO



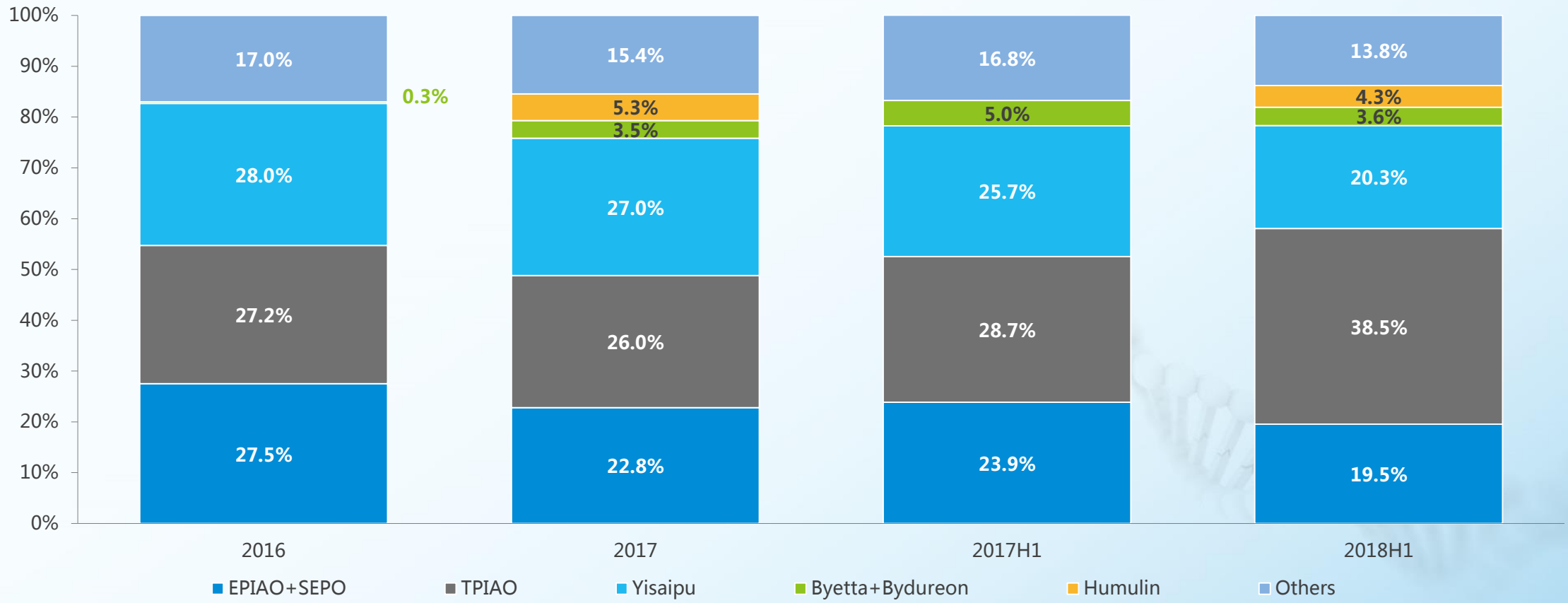
Notes:

1 Yisaipu was consolidated since 1 April 2016.

2 Hospital sales grew 36.9% in H1 2018 according to IMS. The slower growth of the Group's reported sales of Yisaipu than the hospital sales is primarily due to the Group's improvement of commercial policy. The new policy requires a lower level of channel stock, and as a result, the Group is able to negotiate more favorable commercial terms with the distributors.

Product Mix and Contribution

Sales of Goods Contribution[1,2,3,4,5]



Notes:

1 Sales of TPIAO, Yisaipu, EPIAO and SEPO shown above are those generated in China
2 Sales of Yisaipu for the 9 months from 1 April 2016 to 31 December 2016 were included for 2016
3 Byetta was consolidated into the Group's financials since 11 October 2016
4 Humilin was consolidated into the Group's financials since July 2017
5 Bydureon was launched in the China market since May 25, 2018

THANKS

CHERISH LIFE CARE FOR LIFE CREATE LIFE

Appendix

Experienced and Visionary Management Team Leading the Growth

Dr. Lou Jing

Co-founder, Chairman, Executive Director and Chief Executive Officer

- Joined Shenyang Sunshine as director of research and development in 1995
- Led the manufacturing process development for EPIAO and TPIAO
- Obtained Ph.D from Fordham University in 1994 and completed post-doctoral study at the United States National Institute of Health in 1995
- A member of "The Recruitment Program of Global Experts" (also known as the "Thousand Talents Program" / 千人计划)

Mr. Kevin Xiao, *Chief Operating Officer*

- Extensive experience within PRC's pharmaceutical industry, including a role as chief executive officer of Hisun Pfizer Pharmaceutical from 2012 to 2015 where he oversaw the strategy and operations of the Hisun and Pfizer joint venture

Dr. Zhenping Zhu, *President of Research & Development and Chief Scientific Officer*

- Served as EVP of Global Biopharmaceuticals, Kadmon Corporation and President of Kadmon China
- Served as VP and Global Head, Protein Sciences and Design at Novartis and VP of Antibody Technology and Immunology at ImClone Systems.
- Led discovery and early development of several FDA-approved novel antibodies for various oncology indications

Mr. Bo Tan, *Chief Financial Officer*

- Extensive experience within the financial and pharmaceutical industries, having worked across private equity, equity research and corporate

Ms. Su Dongmei, *Director and Senior Vice President*

- Served as director of research and development
- Named co-inventor for four of the Company's patents

Dr. James Zhang, *Vice President of Manufacture and Head of CMO*

- Served as vice president of Yuanda, the head of Yuanda Wuhan Pharmaceutical Research Institute and the chief science officer of Huadong Pharmaceutical Company
- Also served as an executive director on the board of directors of Huadong Pharmaceutical and China Grand Pharmaceutical and Healthcare Holdings
- A member of "The Recruitment Program of Global Experts" (also known as the "Thousand Talents Program" / 千人计划)

Extensive Experience

Senior management team on average has **> 15 years** of experience in the biotechnology or pharmaceutical industries

In-depth Knowledge

Many have worked with overseas leading global biopharmaceutical companies. They bring extensive industry experience and in-depth knowledge

Diversified Expertise

Experience and expertise range from research and development to manufacturing, sales, marketing and distribution