



# Corporate Presentation

September 14, 2010



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"Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995:

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current expectations or beliefs, including, but not limited to, statements concerning the Company's operations, financial performance and condition. For this purpose, statements that are not statements of historical fact may be deemed to be forward-looking statements. The Company cautions that these statements by their nature involve risks and uncertainties, and actual results may differ materially depending on a variety of important factors, including those discussed in the Company's reports filed with the Securities and Exchange Commission from time to time. In addition, the company disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date hereof.

No securities regulatory authority has either approved or disapproved the contents of this presentation.



# Equity Snapshot

Figures as of September 14, 2010	
Symbol:	SNBP.OB
Price:	\$0.27
Market Cap:	\$31.7 million
Shares Outstanding:	117,587,608
Fiscal Year End	May 31
Fiscal 2010 Revenue:	\$7.7 million
Fiscal 2010 Net Income:*	\$3.7 million
Projected 2011 Revenue:	\$14.0 million
Projected 2011 Net Income:*	\$6.0 million

\* Adjusted to exclude non-cash stock compensation expense



# Investment Highlights

## Profitable, Fast Growing Chinese Specialty Pharmaceutical Company

Multiple commercialized and pipeline products in muscle relaxant and cardiovascular markets drive sustainable revenue and profit growth

Fiscal 2011 guidance (fiscal year ending May 2011)

**\$14 million in revenues (80% increase over prior year)**

**\$6 million net income, \$0.05 EPS**

## High Margin Commercial Business

Lead product KuTai uniquely differentiated as only muscle relaxant stored at room temperature

**Current gross margin above 70% and net margin above 40%**

**Projected sales of \$12 million in fiscal 2011 (80% increase over prior year)**

Strong YiTai product launch in the cardiovascular ACE inhibitor market

**Market exclusivity and price premium as first-to-market product**

**Expected sales of \$2 million in fiscal 2011 (launched in fiscal Q3:2010)**

## Robust Product Pipeline

Commercializing two new products in current fiscal year: antibiotic and parenteral nutrition

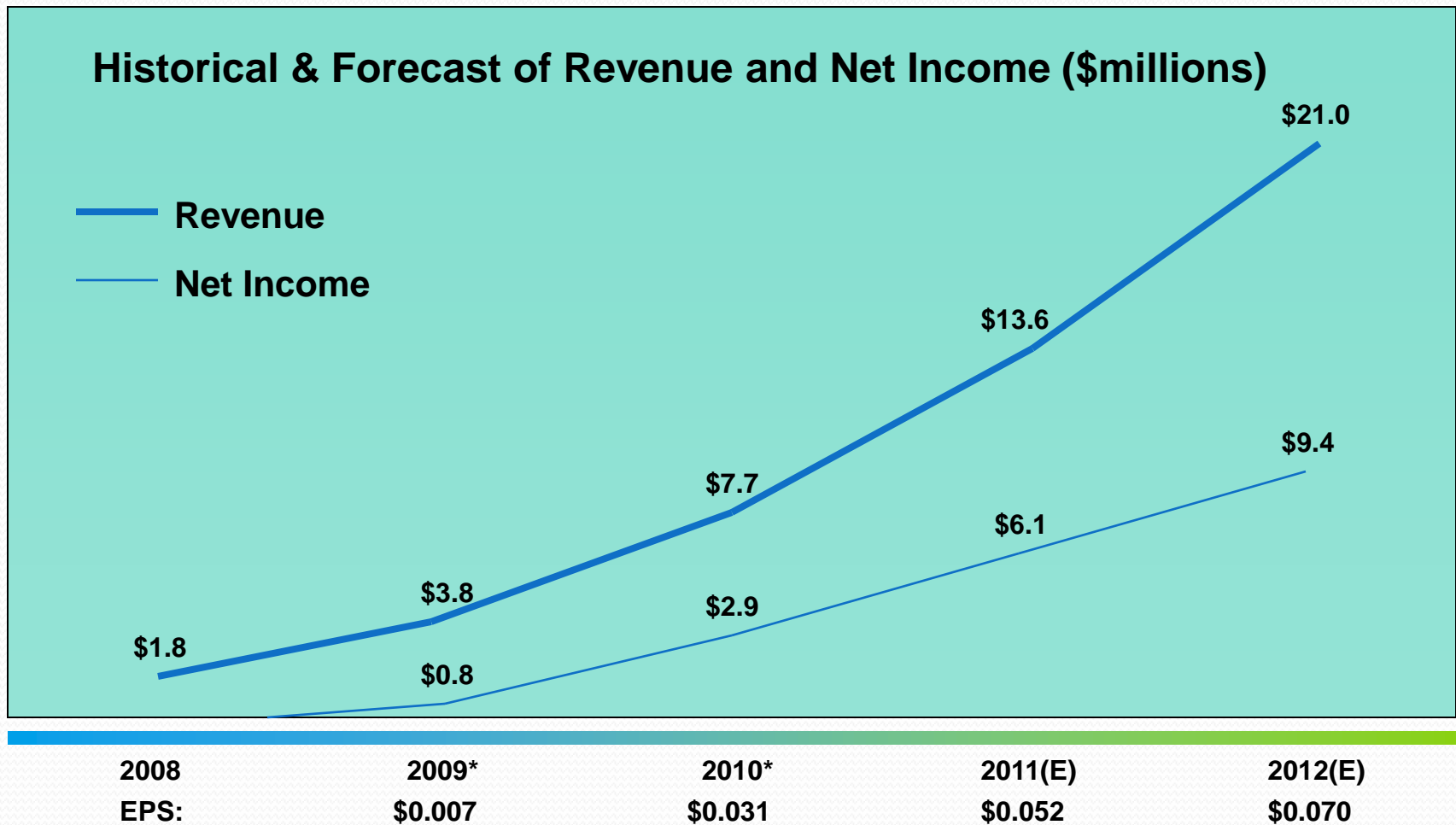
Five additional drugs under development



# Profitable, Fast Growing Specialty Pharma



# Outstanding Financial Performance



\* Adjusted to exclude stock option, amortization and other non-cash expense



# Corporate Overview

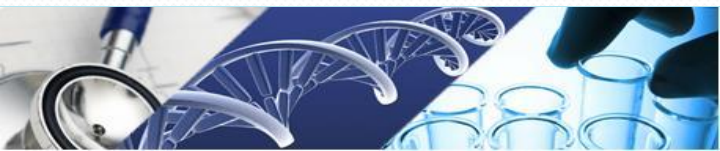
- A fully integrated specialty pharmaceutical company established in 2004 in Nantong, Jiangsu. Headquartered in Nanjing, Jiangsu. Listed on OTCBB in 2008.
- Specializing in muscle relaxant and cardiovascular drugs; each category has total global market of more than \$1 billion.
- Four marketed products and five major new products in pipeline planned for commercialization.
- SFDA GMP-certified production facilities and established distribution network.





# Competitive Advantages

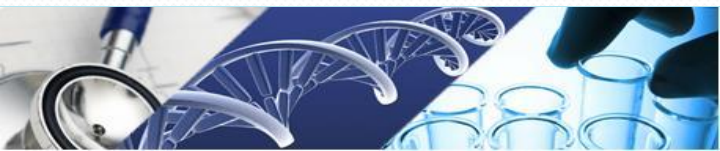
- Expanding in fast-growing Chinese healthcare market
- Government support includes no-interest loan, tax advantages for five years and high-tech corporation benefits
- Strong R&D team lead by our Chairman & CEO Dr. Lee Huang, who headed research team at Bayer Pharmaceutical (USA) for more than 12 years
- Proprietary technology enables low cost, high quality API and innovative formulations for unstable drugs
- Experience with Chinese FDA expedites fast approval of first-to-market (FTM) drugs





# China Market Opportunity

- Population of 1.3 billion consumers with increasing disposable incomes
- Chinese government will spend RMB124 billion in the next three years on healthcare reform
- China's entire drug market estimated at \$122B in 2008; projected to be the 5th largest pharmaceutical market by 2010 and the largest by 2050
- Expanding government-backed healthcare policies and reimbursement systems
- Growing elderly population is accelerating demand for drugs for seniors
- 11% of population is over 60 years old; to reach approximately 30% by 2045



# High Margin Business Model (>70%)

**Distribution → Increasing Market Share**

Established networks, Sales infrastructure expansion

## Drug Selection Criteria

≥\$1B global sales

High-incidence,  
high-mortality  
diseases

Potential market  
exclusivity

## Development

New drugs

First-to-market  
branded generic and  
innovative drugs

Experience with  
SFDA process

## Commercialization

GMP certified  
manufacturing  
lines

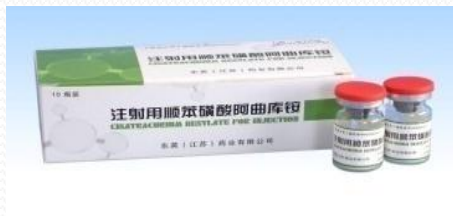
Launch/marketing  
expertise

High margin/low  
cost provider



# Marketed Products

**KuTai<sup>®</sup>**  
**(Cisatracurium)**



Muscle  
Relaxant

**YiTai<sup>®</sup>**  
**(Perindopril)**



Cardiovascular  
Drug

**KeSu<sup>®</sup>**  
**(Clindamycin)**



Antibiotic

**Gueran<sup>®</sup>**  
**(L-alanyl-L-glutamine)**



Parenteral  
Nutrition



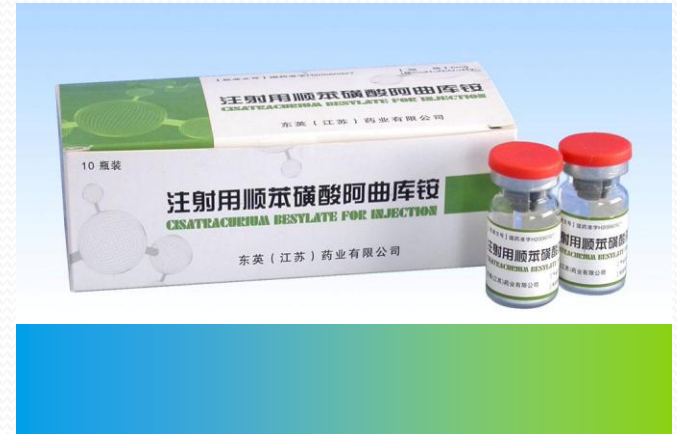
# Market for muscle relaxants

- Muscle relaxants used in major surgery with anesthesia and pain suppression
- Total Chinese muscle relaxant market has CAGR 25 percent growth annually due to increase in general anesthesia surgeries
- Total market value in China is over RMB 1 billion (~\$130 million)
- Four main types of muscle relaxants in use; KuTai (Cisatracurium) has the fewest and mildest side effects of the four
- Market numbers demonstrate Cisatracurium category is rapidly replacing other muscle relaxants; will soon lead all muscle relaxants currently in use
- Two Competitors (Jingsu Hengrui & GSK); both have lower sales; KuTai is the leader in Cisatracurium category for total sales



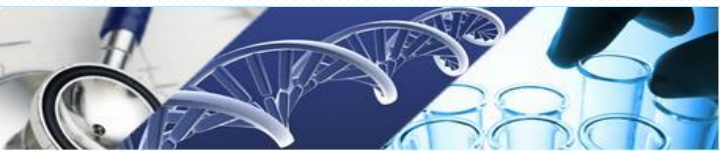
# Our Product -KuTai

- Launched in 2007, KuTai is sales leader in Cisatracurium category in Chinese market
- World's first to be stored at room temperature; convenient for surgeons
- Safer, more stable and more effective than other relaxants
- Much lower cost in China compared to Nimbex, made by GSK
- Sales revenue from KuTai was \$7.5 million in FY 2010, an increase of 109%; it was \$3.6 million in FY 2009, up 157% from \$1.4 million in FY 2008
- Projected sales in FY 2011 of \$12 million



# Market for Cardiovascular Drugs

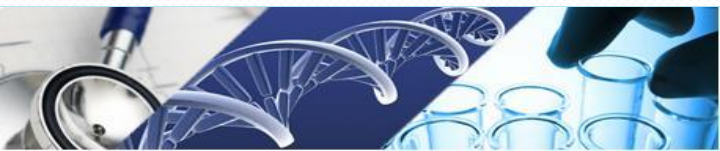
- Cardiovascular (CV) disease is leading cause of death in the U.S.
- Causes an estimated 17.5 million deaths globally every year; about one third of total annual deaths
- According to American Decision Resources research, total Chinese market in 2010 for cardiovascular drug is \$800M
- Multiple drugs for treatment of cardiovascular disease in Chinese market; effectiveness varies by patient types
- Main competitor in Chinese market is Acertil from French company Servier





# Our Product --YiTai

- Launched in third quarter of FY 2010, estimated sales for FY 2011 is \$2 million
- A first-to-market drug for which SNBP enjoys market exclusivity
- Chinese health insurance covers YiTai
- For some patients, more effective when taken with other cardiovascular drugs
- Protects blood vessels and kidneys

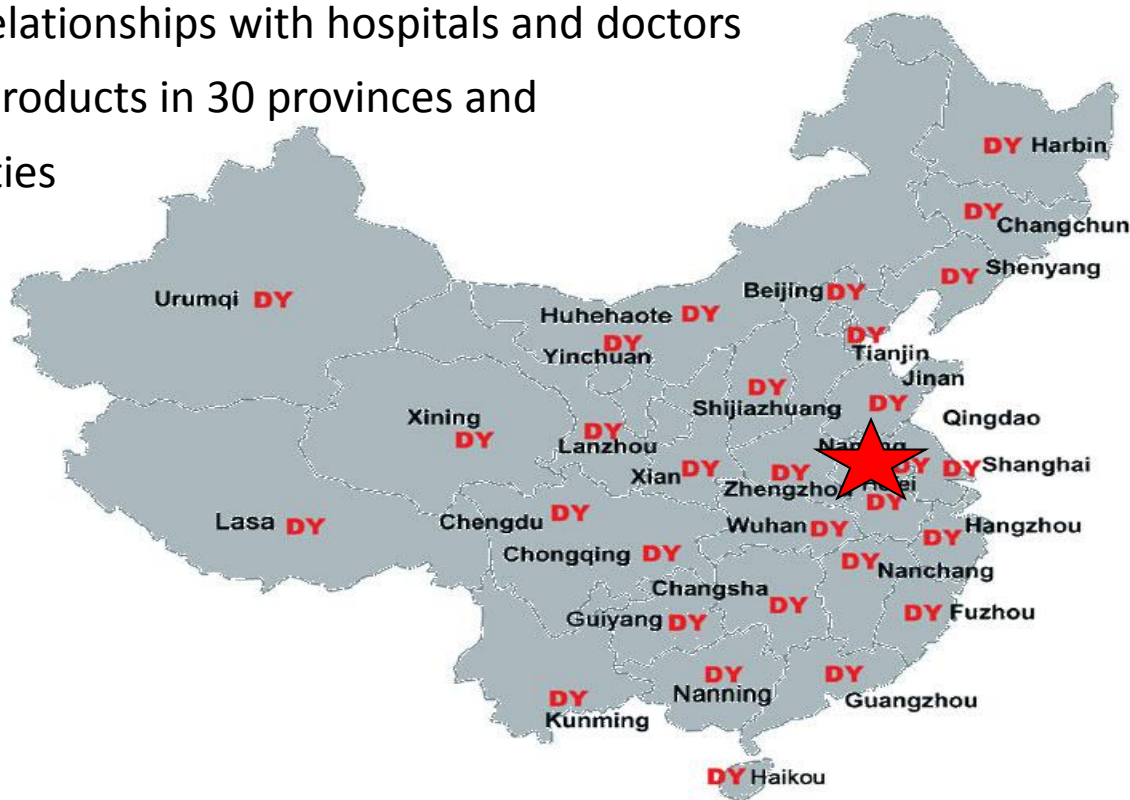




# Extensive Distribution Network

For Dong Ying China

- Established nationwide sales and marketing network through distributors
- Sales force covering all regions
- Long-term relationships with hospitals and doctors
- Distributes products in 30 provinces and key major cities



# Robust Product Pipeline

## Eplerenone

- Cardiovascular drug for high blood pressure and vascular disease
- No comparable drug produced and marketed in China
- First company to receive approval for, and first to start clinical trial

## Rocuronium Bromide

- Fast-acting, injectable muscle relaxant drug
- Can be used in cocktail with KuTai; recognized by doctors

## Gantacurium Chloride

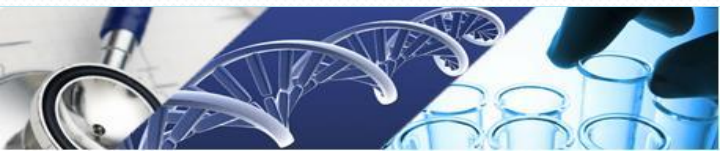
- Ultra short acting, rapid onset muscle relaxant
- New generation drug; not yet produced anywhere

## Clevidipine Butyrate

- Rapidly reduces blood pressure; controls blood pressure in patients with acute hypertension when use of oral therapy is neither feasible nor desirable

## Memantine

- Treats symptoms of Alzheimer's disease
- SFDA approved for Phase II Clinical Trials



# Strong R&D

- Top tier R&D team lead by Dr. Lee Huang
- Patented technology and production provide highest quality and safety levels for our products
- Long-term cooperative relationships with a number of world class research institutions and universities in both China and USA
- Access to advanced research lab and devices

## R&D Partnership



Cornell University



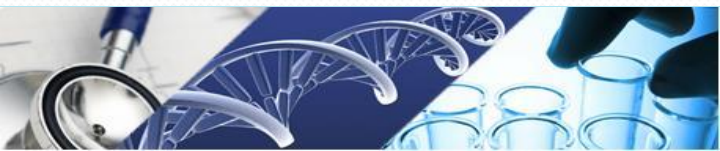
China Pharmaceutical University



Nanjing University

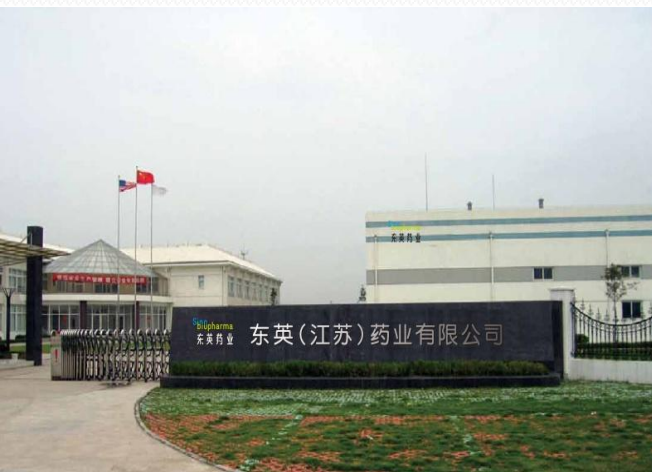


Nanjing Medical University



# Modern, Scalable Manufacturing Facilities

- 30,000 sq. meter SFDA GMP-certified production facilities
- Location in Nantong Economic & Technology Development Zone confer extensive tax benefits
- 6 GMP-Certified Production Lines of tablet, capsule, injectable, granule, dry power, and chemical ATPs
- 50% capacity used at current production levels



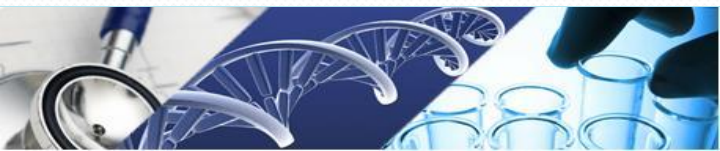
# Financials Show Strong Growth





# Balance Sheet Highlights

(\$ in thousands)	May 31, 2010 (FY 2010)	May 31, 2009 (FY 2009)
Cash & Cash Equivalents	\$ 1,332	\$ 891
Total Current Assets	\$ 3,717	\$ 1,692
Total Assets	\$ 11,953	\$ 5,956
Total Current Liability	\$ 2,200	\$ 5,179
Owner's Equity	\$ 9,753	\$ 777



# Income Statement Highlights

(\$ in thousands)	Q1 FY 2010 (Ends Aug 31, 09)	Q2 FY 2010 (Ends Nov. 30, 09)	Q3 FY 2010 (Ends Feb. 28, 10)	FY 2010 (Ends May 31, 10)
Revenue	\$ 1,293	\$ 2,137	\$ 1,993	\$ 7,731
Gross Income	\$ 963	\$ 1,720	\$ 1,612	\$ 6,151
Gross Margin	74%	80%	81%	80%
Operating expenses	\$ 671	\$ 596	\$ 593	\$ 3,213
Operating Income	\$ 292	\$ 1,124	\$ 1,019	\$ 2,933
Net Income	\$ 237	\$ 1,074	\$ 941	\$ 2,863
Net Margin	18%	50%	47%	37%





# Short, Medium and Long-Term Growth Strategy

- Leverage patented technology for fast, low-cost drug synthesis and new drug formulation
- Short-term focus on launching high margin, new drugs to Chinese and other large markets
- Medium-term focus on exporting API to U.S. market
- Long-term focus on applying the technology platform to identify candidate compounds from Traditional Chinese Medicines
- Become the “Chinese Teva Pharma”



# Experienced Management Team

## **Lee Huang, Ph. D *Chairman & Chief Executive Officer***

More than 12 years research and managerial experience at Bayer Pharmaceutical, USA

Published more than 30 peer-reviewed articles in scientific journals

Holds numerous patents

Earned Ph.D. in Chemistry, Iowa State University, 1987; B.S. Organic Chemistry (Nanjing University, 1981)

## **James Mu, CPA *Director & Chief Financial Officer***

Former Director of China Infrastructure Investment Corporation (Nasdaq: CIIC)

Former Chief Financial Officer of Jingwei International Limited (OTCBB: JNGW.OB)

B.S. at Hebei University of Science and Technology (Chemical Engineering)

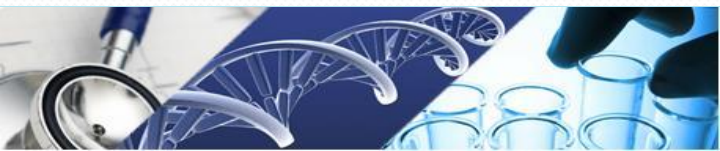
M.B.A at Baruch College, City University of New York

## **Xuejun Chen, *Director & Vice President***

Former Vice-President of sales at Nanjing Langkun Medicine Co., Ltd.

Marketing Director of Jiangsu Province for both Xiamen Beidazhilu Biotech Co., Ltd. and Shanxi Dongshen Medicine Co., Ltd.

M.B.A, Nanjing University, 2007; B.S., Lanzhou University



# Attractive Valuation

## Peer Group Analysis Sinobiopharma (SNBP-OCT:BB)

Company Name and Symbol	Price Per Share*	Market Cap*	P/E Forward 12 Months	Est. Revenue Growth	Price/Sales Estimate (2011)*
Sinobiopharma (SNBP -OTC:BB)	\$ 0.24	\$ 28.2M	4.8	71%	2.07
Wuxi Pahraceutical (WX-NYSE)	\$ 17.24	\$1,200.5M	18.2	22%	4.06
Sinovac Biotech (SVA-NASDAQ)	\$ 3.96	\$ 214.6M	8.5	-17%	2.62
China Sky One Medical (CSKI-NASDAQ)	\$ 12.50	\$ 210.9M	6.1	31%	1.59
China Pharma Holdings (CPHI-NYSE AMEX)	\$ 2.82	\$ 122.1M	5.3	8%	1.90

\*Market Data as of 5/26/10



# Investment Summary

Profitable, Fast Growing Specialty Pharmaceutical Company

High Margin Business with Robust Market Opportunities

Strong R & D Creating Rich Product Pipeline

Scalable Production Capacity

Nationwide Distribution Network

Solid Fundamentals

Multiple Competitive Advantages

Extensive Industry Relationships

Attractive Valuation

Experienced management Team that can Execute a Comprehensive  
Multi-tier Growth Strategy



# Contact Information

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1859 Whitney Mesa Dr.  
Henderson, NV 89014



# Thank You!

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