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上海復旦張江生物醫藥股份有限公司

Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd.*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 8231)

ANNOUNCEMENT

PROPOSED SPECIFIC MANDATE TO ISSUE NEW H SHARES

On 11 April 2012, the Board resolved to include resolutions in the AGM and the Class Meetings for the grant of the proposed Specific Mandate by the Shareholders to the Board to issue not more than 142,000,000 New H Shares, representing not more than approximately 71.72% and 20% of the total issued H Shares and the total issued shares of the Company, respectively, as at the date of this announcement.

Upon grant of the Specific Mandate, the Directors may proceed to place the New H Shares. The proposed New Issue is subject to, among other things, the obtaining of the necessary approvals from the relevant PRC regulatory authorities, including the CSRC for the New Issue. As at the date of this announcement, the Company has not made the relevant application to the CSRC. Depending on market conditions, the Directors may or may not exercise the proposed Specific Mandate, if granted, to issue New H Shares. If the Directors proceed to issue New H Shares pursuant to the proposed Specific Mandate, a separate announcement will be made.

The proposed grant of Specific Mandate and the issue of New H Shares pursuant to the Specific Mandate, if proceeded, will enlarge the shareholder and capital bases of the Company and strengthen its financial position. The Directors intend to use the net proceeds from the New Issue, if proceeded, for the four pharmaceutical research and development projects, the repayment of the debts of the Company and the working capital of the Company.

A circular containing further information on the proposed Specific Mandate together with notices of the AGM and the Class Meetings, will be despatched to the Shareholders as soon as possible.

Investors should be aware that the proposed Specific Mandate may or may not be approved by the Shareholders at the AGM and the Class Meetings. Even if the proposed Specific Mandate is granted to the Board, the proposed New Issue may or may not be proceeded. The proposed New Issue is subject to the satisfaction of a number of conditions which are more particularly set out in the section headed “Conditions to the Proposed New Issue” below. There is no assurance that any of the conditions to the proposed New Issue will be fulfilled or that it will be proceeded at all. Investors should therefore exercise caution when dealing in the H Shares.

PROPOSED SPECIFIC MANDATE

Proposed New Issue

On 11 April 2012, the Board resolved to include resolutions in the AGM and the Class Meetings for the grant of the proposed Specific Mandate by the Shareholders to the Board to issue not more than 142,000,000 New H Shares, representing approximately 71.72% and 20% of the total issued H Shares and the total issued shares of the Company, respectively, as at the date of this announcement or approximately 16.67% of the total issued shares of the Company as enlarged by the proposed New Issue (assuming 142,000,000 New H Shares are issued). The major terms of the proposed Specific Mandate are as follows:

- (i) to issue not more than 142,000,000 New H Shares;
- (ii) the New H Shares will be issued at a price to be determined by two Directors to be authorized for such purpose with reference to the market price of the H Shares on the Stock Exchange and the market conditions at the time of signing of the relevant placing agreement, and in any event, the issue price should not be lower than the higher of either (a) the par value per Share of the Company (i.e. RMB0.10, equivalent to approximately HK\$0.12) or (b) the latest audited net asset value per Share of the Company; and
- (iii) the proposed Specific Mandate is for the period from the passing of the relevant resolutions at the AGM and the Class Meetings up to the earliest of: (a) the expiration of the 12-month period following the passing of the relevant resolution(s) at the AGM and/or the Class Meetings; or (b) the revocation or variation of the authority given under the relevant resolution(s) at the AGM and/or the Class Meetings by special resolution(s) of the Shareholders in a general or a class meeting.

The proposed New Issue is subject to, among other things, the obtaining of the necessary approvals from the relevant PRC regulatory authorities, including the CSRC. As at the date of this announcement, the Company has not made the relevant application to the CSRC. Depending on market conditions, the Directors may or may not exercise the proposed Specific Mandate, if granted, to issue New H Shares.

Upon the grant of the Specific Mandate, the Directors may proceed to place the New H Shares to not less than six but not more than 10 professional, institutional and individual investors, who are independent of and not connected with any director, supervisor, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates. Such places will be procured by a placing agent to be approved for such purposes. If any of such investors is a connected person of the Company, the Company will take steps to comply with the relevant requirements under the GEM Listing Rules. Depending on market conditions, the Directors may or may not exercise the proposed Specific Mandate, if granted, to issue New H Shares. If the Directors proceed to issue the New H Shares pursuant to the Specific Mandate, a separate announcement will be made.

Conditions to the Proposed New Issue

The proposed New Issue, upon exercise of the Specific Mandate, if granted, is conditional upon:

- (a) the grant of the proposed Specific Mandate by the Shareholders to the Board having been obtained at the AGM and the Class Meetings;
- (b) the approval of the proposed issue of the New H Shares pursuant to the proposed Specific Mandate by the CSRC;
- (c) the entering into of a placing agreement by, among other parties, the Company and the placing agent and the placing agreement not being terminated in accordance with its terms; and
- (d) the GEM Listing Committee granting listing of and permission to deal in all of the New H Shares to be issued and placed pursuant to the New Issue.

Under the GEM Listing Rules, no Shareholders are required to abstain from voting at the AGM and the Class Meetings.

Ranking of New H Shares

If, upon the grant of the proposed Specific Mandate, the Directors proceed to place the New H Shares, such New H Shares, when fully paid, will rank pari passu in all respects with the issued H Shares.

POSSIBLE CHANGE IN SHARE CAPITAL AND SHAREHOLDING STRUCTURE

For reference and illustrative purposes only, assuming that: (1) the proposed Specific Mandate is granted by the Shareholders at the forthcoming AGM and Class Meetings; (2) the Board exercises the proposed Specific Mandate in full to issue New H Shares; and (3) all conditions for the issue and placing of New H Shares have been satisfied, the possible changes in the share capital and shareholding structure of the Company will be as follows:

Class of Shares	Before the exercise of the Specific Mandate		Immediately after the exercise of the Specific Mandate	
	Number of Shares	Approximately (%)	Number of Shares	Approximately (%)
Domestic Shares	512,000,000	72.11	512,000,000	60.09
Shanghai Pharmaceutical Holding Co., Ltd.	139,578,560	19.66	139,578,560	16.38
China General Technology (Group) Holding, Ltd. <i>(Note 1)</i>	130,977,816	18.45	130,977,816	15.37
Shanghai Zhangjiang Hi-Tech Park Development Co., Ltd. <i>(Note 2)</i>	105,915,096	14.92	105,915,096	12.43
Others <i>(Note 3)</i>	135,528,528	19.09	135,528,528	15.91
H Shares	198,000,000	27.89	340,000,000	39.91
– H Shares in issue <i>(Note 4)</i>	198,000,000	27.89	198,000,000	23.24
– New H Shares	–	–	142,000,000 <i>(Note 5)</i>	16.67
Total	710,000,000	100	852,000,000	100

Notes:

1. As far as the Directors are aware, China General Technology (Group) Holding, Ltd. has sold its entire interest in the Company to a third party, but the transfer and registration procedures have not yet been completed as at the date of this announcement.
2. As far as the Directors are aware, Shanghai Zhangjiang Hi-Tech Park Development Co., Ltd. has sold its entire interest in the Company to two third parties, but the transfer and registration procedures have not yet been completed as at the date of this announcement.
3. Such 135,528,528 Domestic Shares are inclusive of (i) 51,886,430 Domestic Shares held by Mr. Wang Hai Bo, the chairman of the Company; (ii) 30,636,286 Domestic Shares held by Shanghai Fudan Asset Operating Limited; (iii) 18,312,860 Domestic Shares held by Mr. Su Yong, the executive director of the Company; (iv) 15,260,710 Domestic Shares held by Mr. Zhao Da Jun, the executive director of the Company; (v) 7,215,260 Domestic Shares held by Mr. Li Jun, the deputy general manager of the Company; (vi) 6,562,382 Domestic Shares held by Pudong Technology Investment; and (vii) 5,654,600 Domestic Shares held by Ms. Fang Jing, the non-executive director of the Company.
4. Such 198,000,000 H Shares are inclusive of 70,564,000 H Shares held by Shanghai Pharmaceutical Holding Co., Ltd.
5. This assumes that a total of 142,000,000 New H Shares have been issued upon the exercise of the Specific Mandate.

PROPOSED USE OF PROCEEDS

The proposed grant of Specific Mandate and the issue of New H Shares pursuant to the Specific Mandate, if granted, will enlarge the shareholder and capital bases of the Company and strengthen its financial position. The Directors intend to use the net proceeds from the New Issue, if proceeded, for the four pharmaceutical research and development projects, the repayment of the debts of the Company and the working capital of the Company, particulars of the proposed amounts to be used are as follows:

- (i) approximately 66.7% to be used for four pharmaceutical research and development projects, including:
 - (a) approximately 16.67% to be used for the clinical study project regarding using ALA for the treatment of cervical intraepithelial neoplasia (鹽酸氨酮戊酸治療子宮頸上皮內瘤變臨床研究項目);
 - (b) approximately 8.33% to be used for the pre-clinical study and clinical study project regarding using ALA for the treatment of brain glioma (鹽酸氨酮戊酸治療腦膠質瘤臨床前及臨床研究項目);
 - (c) approximately 16.67% to be used for the pre-clinical and clinical study project of paclitaxel albumin nanoparticles (紫杉醇白蛋白納米粒臨床前及臨床研究項目); and
 - (d) approximately 25% to be used for the pre-clinical and clinical study project of CD30-MMAE (CD30 靶向的抗體交聯藥物(CD30-MMAE)臨床前及臨床研究項目);

- (ii) approximately 16.6% to be used to repay the debts of the Company; and
- (iii) approximately 16.6% to be used for the working capital of the Company.

Further details on the application of such proceeds will be set out in the announcement to be published by the Company should the Company proceed with the New Issue.

POSSIBLE APPLICATION FOR LISTING

Should the Board, upon obtaining the proposed Specific Mandate, proceed to exercise the proposed Specific Mandate to issue the New H Shares, the Company will apply to the GEM Listing Committee for the listing of and permission to deal in all of the New H Shares to be issued and placed pursuant to the New Issue.

AUTHORIZATION TO THE BOARD

The Board seeks the Shareholders' authorization at each of the AGM and the Class Meetings for it to deal with all the matters in relation to the Specific Mandate and the proposed placing of the New H Shares to be issued under the New Issue with full authority for a term of 12 months following the passing of the relevant resolution(s) at the AGM and/or the Class Meetings. Such matters include but are not limited to:

- (i) submit all the relevant applications, reports and other documents to the relevant PRC and overseas authorities and deal with all the procedures to obtain and/or procure all the relevant approvals, registration, filing, sanction and permission;
- (ii) be responsible for the exercise of the Specific Mandate to issue New H Shares pursuant to the terms thereof approved by the Shareholders at the AGM and the Class Meetings, respectively, including but not limited to the determination of the actual size, placing price (including the price range and final price), timing, method and target placee(s) of the placement(s) of the New H Shares, the execution, implementation, modification and termination of any agreement, contract or other documents relating to the exercise of the Specific Mandate to issue New H Shares and other relevant matters;
- (iii) be responsible for obtaining all the approvals and permissions from the CSRC, the Stock Exchange and other relevant PRC and overseas authorities in relation to the exercise of the Specific Mandate to issue New H Shares;
- (iv) engage the placing agent, Hong Kong legal advisers, PRC legal advisers and other relevant intermediary parties if and as required in relation to the exercise of the Specific Mandate to issue New H Shares and enter into the relevant engagement agreements;

- (v) amend the Articles of Association of the Company according to the result of the exercise of the Specific Mandate to issue New H Shares, deal with the relevant registration and filing procedures with the relevant industry and commerce administration authorities and other matters in relation to the implementation of the Shareholders' approvals;
- (vi) make appropriate amendments to the terms of the Specific Mandate in light of the specific circumstances and pursuant to the approval(s) by the relevant authorities; and
- (vii) execute, implement, amend and complete any document and do any act as necessary and appropriate in relation to the exercise of the Specific Mandate to issue New H Shares.

Upon the authorization to the Board by the Shareholders at the AGM and the Class Meetings as mentioned above, the Board will delegate such authorization to a director committee comprising two Directors to deal with all the matters as mentioned above and authorize the chairman of the Company or any executive Director to sign the relevant agreements, contracts and other documents relating to the New Issue.

FUND RAISING IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activities involving the issue of equity securities within the 12 months immediately prior to the date of this announcement.

GENERAL

The Company will despatch to the Shareholders a circular, together with notices of the AGM and the Class Meetings, as soon as practicable. Such circular will contain, among other things, further information on the proposed Specific Mandate and (if the Board exercises the proposed Specific Mandate) the proposed use of proceeds from the proposed New Issue.

Investors should be aware that the proposed Specific Mandate may or may not be approved by the Shareholders at the AGM and the Class Meetings. Even if the proposed Specific Mandate is granted to the Board, the New Issue may or may not be proceeded. The New Issue is subject to the satisfaction of a number of conditions which are more particularly set out in the section headed "Conditions to the Proposed New Issue" above. There is no assurance that any of the conditions to the proposed New Issue will be fulfilled or that it will be proceeded at all. Investors should therefore exercise caution when dealing in the H Shares.

DEFINITIONS

The following words and phrases used in this announcement have the same meanings assigned:

“AGM”	the 2011 annual general meeting of the Company to be convened and held for the purpose of approving, among other things, the proposed Specific Mandate;
“Board”	the board of Directors;
“Class Meetings”	the respective class meetings of the holders of H Shares and the holders of Domestic Shares to be convened and held for the purposes of approving the proposed Specific Mandate and the proposed New Issue;
“Company”	Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd.* (上海復旦張江生物醫藥股份有限公司), a company with limited liability incorporated in the PRC, whose H Shares are listed on the GEM;
“connected person”	has the meaning ascribed to it under the GEM Listing Rules;
“CSRC”	China Securities Regulatory Commission;
“Directors”	the directors of the Company;
“Domestic Share(s)”	ordinary domestic share(s) of nominal value of RMB0.10 each in the registered capital of the Company which are subscribed for in Renminbi;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Committee”	the listing sub-committee of the board of the Stock Exchange with responsibility for GEM;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited;
“H Share(s)”	the overseas listed foreign invested shares of nominal value of RMB0.10 each in the share capital of the Company, which are listed on the GEM and subscribed for and traded in HK\$;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“New H Shares”	the maximum number of 142,000,000 H Shares proposed to be issued upon the exercise of the Specific Mandate;

“New Issue”	subject to fulfillment of certain conditions stated in this announcement, the issue of the New H Shares by way of placing upon the exercise of the Specific Mandate, if granted;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC; and
“Shareholders”	holders of the Domestic Shares and the H Shares;
“Specific Mandate”	the specific mandate proposed to be granted to the Directors by the Shareholders at the AGM and the Class Meetings to issue not more than 142,000,000 New H Shares, representing not more than approximately 71.72% and 20% of the total issued H Shares and the total issued shares of the Company, respectively, as at the date of this announcement, at any time during the period specified in the relevant resolution(s) set out in the notices of the AGM and the Class Meetings;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	per cent

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Any discrepancy between totals and sums of individual amounts listed are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

Unless otherwise specified, conversion of RMB into HK\$ in this announcement is based on the exchange rate of RMB1 = HK\$1.23 for the purpose of illustration only. No representation is made and there is no assurance that RMB or HK\$ can be purchased or sold at such rate.

By order of the Board
Wang Hai Bo
Chairman

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

Mr. Wang Hai Bo (*Executive Director*)
Mr. Su Yong (*Executive Director*)
Mr. Zhao Da Jun (*Executive Director*)
Ms. Fang Jing (*Non-executive Director*)
Mr. Hao Hong Quan (*Non-executive Director*)
Mr. Zhu Ke Qin (*Non-executive Director*)
Mr. Ge Jian Qiu (*Non-executive Director*)
Ms. Ke Ying (*Non-executive Director*)
Mr. Pan Fei (*Independent Non-executive Director*)
Mr. Cheng Lin (*Independent Non-executive Director*)
Mr. Weng De Zhang (*Independent Non-executive Director*)

Shanghai, the PRC

11 April 2012

* *For identification purpose only.*

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