



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 limited company incorporated in the People's Republic of China)  
(Stock Code: 8231)

**Establishment of Taizhou Pharmaceutical**

**Summary**

The Company will establish a wholly-owned subsidiary company, Taizhou Fudan-Zhangjiang Pharmaceutical Company Limited, in Taizhou City of Jiangsu Province as the production and manufacturing base of the Company. The Company is also currently negotiating with three other enterprises on the possibility of capital increases in Taizhou Fudan-Zhangjiang Pharmaceutical Company Limited.

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

The board of directors of Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd. (the “**Company**”) is pleased to announce that the Company will establish Taizhou Fudan Zhangjiang Pharmaceutical Company Limited (“**Taizhou Pharmaceutical**”) in Taizhou City of Jiangsu Province as a wholly-owned subsidiary company with a registered capital of RMB 60 million, which will be contributed as to RMB40 million by intangible assets and as to RMB20 million by cash. Taizhou Pharmaceutical will set up its production lines by stages according to the Company’s process of product development, and will gradually develop into a full-functional production and manufacturing base of the Company with a number of production lines. Taizhou Pharmaceutical will acquire land to construct factory buildings in Taizhou Pharmaceutical High & New Tech Industrial Park, considering the limited area available at the Company’s current premises in Shanghai, which may affect the further development of the Company, and the high land prices of other areas in Shanghai as well as the higher manpower costs in Shanghai as compared with its surrounding cities.

The Company is currently negotiating with Nanjing Medical Company Limited (the A shares of which are listed on the Shanghai Stock Exchange), Taizhou Huaxin Pharmaceutical Investment Company Limited and Taizhou Science Park Huayuan Investment Development Company Limited on the possibility of capital increases in Taizhou Pharmaceutical. If Taizhou Pharmaceutical increases its capital, the Company will make an announcement when appropriate and will comply with the disclosure requirement of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

This announcement is made pursuant to Rule 17.10 of the Rules Governing the GEM Listing Rules.

By order of the Board of  
**Shanghai Fudan-Zhangjiang  
Bio-Pharmaceutical Co., Ltd.**  
**Wang Hai Bo**  
*Chairman*

Shanghai, the PRC  
4th January, 2007

*\* For identification purpose only*

As at the date hereof, the Board of the Company comprises:

Mr. Wang Hai Bo (*Executive Director*)  
Mr. Su Yong (*Executive Director*)  
Mr. Zhao Da Jun (*Executive Director*)  
Mr. Jiang Guo Xing (*Non-executive Director*)  
Ms. Fang Jing (*Non-executive Director*)  
Mr. Zhou Jie (*Non-executive Director*)  
Mr. Guo Jun Yi (*Non-executive Director*)  
Mr. Zhou Mai (*Non-executive Director*)  
Mr. Cheng Lin (*Independent non-executive Director*)  
Mr. Pan Fei (*Independent non-executive Director*)  
Mr. Weng De Zhang (*Independent non-executive Director*)

*This announcement, for which the directors of the Company (the "Directors") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement will remain on the GEM website for at least 7 days from the date of its posting.*