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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)**

## **PLACING OF H SHARES**

**Placing Manager**



**國泰君安國際**  
GUOTAI JUNAN INTERNATIONAL

**Guotai Junan Securities (Hong Kong) Limited**

**Financial Adviser**



**國泰君安國際**  
GUOTAI JUNAN INTERNATIONAL

**Guotai Junan Capital Limited**

Reference is made to the announcements dated 11 April 2012 and 29 June 2012, and the circular to the Shareholders dated 14 May 2012 of the Company relating to, among other things, the proposed Specific Mandate to issue New H Shares.

The Board is pleased to announce that on 16 January 2013, the Company entered into the Placing Agreement with the Placing Manager in relation to the Placing, on a best efforts basis, of an aggregate of 142,000,000 New H Shares at the Placing Price of HK\$1.70 per H Share.

The Placing Shares comprise a maximum of 142,000,000 New H Shares to be allotted and issued by the Company. The maximum of 142,000,000 Placing Shares represents 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 issue of the Placing Shares.

The Placing Shares will be sold to not less than six nor more than 10 Placees on a best efforts basis, subject to termination in certain events, as set out below under the heading “Conditions of the Placing”.

The maximum amount of net proceeds of the Placing will be approximately HK\$229 million. The Company intends to use the net proceeds from the Placing for the four pharmaceutical research and development projects, the repayment of the debts of the Company and the working capital of the Company.

The Placing Shares will be issued under the Specific Mandate.

Since completion of the Placing is subject to a number of conditions mentioned herein, the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the H Shares.

Reference is made to the announcements dated 11 April 2012 and 29 June 2012, and the circular to the Shareholders dated 14 May 2012 of the Company relating to, among other things, the proposed Specific Mandate to issue New H Shares. The Board is pleased to announce that on 16 January 2013, the Company entered into the Placing Agreement with the Placing Manager in relation to the Placing, on a best efforts basis, of an aggregate of 142,000,000 New H Shares at the Placing Price of HK\$1.70 per H Share.

## **THE PLACING AGREEMENT**

Date: 16 January 2013

Parties: (i) The Company  
(ii) The Placing Manager

## **PLACING**

Pursuant to the Placing Agreement, the Placing Manager has agreed to act as the agent for the Company to procure, on a best efforts basis, professional, institutional and/or other investors to subscribe for an aggregate of 142,000,000 Placing Shares. The Placing Shares comprise a maximum of 142,000,000 New H Shares to be issued and allotted by the Company.

## **INDEPENDENCE OF THE PLACING MANAGER**

The Placing Manager is not a connected person of the Company and is independent of and not connected with any connected person of the Company.

## **PLACEES**

The Placing Manager will place the Placing Shares to not less than six nor more than 10 Placees. The Placing Manager shall use its reasonable endeavours, based on information available to the Placing Manager, information provided by the Company and confirmations from the Placees, to ensure that each Placee is not a connected person of the Company. It is not expected that any Placee will become a substantial shareholder of the Company immediately after the Placing.

## **NUMBER OF PLACING SHARES**

The Placing Shares comprise a maximum of 142,000,000 New H Shares to be issued and allotted by the Company. The maximum of 142,000,000 Placing Shares represents 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 issue of the Placing Shares.

The aggregate nominal value of the Placing Shares will be RMB14,200,000 (equivalent to approximately HK\$17,551,200).

## **PLACING PRICE**

The Placing Price of HK\$1.70 per H Share represents:

- (i) a discount of approximately 28.0% to the closing price of HK\$2.36 per H Share as quoted on the Stock Exchange on 16 January 2013, being the date of the Placing Agreement;
- (ii) a discount of approximately 26.7% to the average closing price of approximately HK\$2.32 per H Share as quoted on the Stock Exchange for the last 5 trading days up to and including 15 January 2013, being the last trading day prior to the date of the Placing Agreement; and

- (iii) a discount of approximately 24.2% to the average closing price of approximately HK\$2.24 per H Share as quoted on the Stock Exchange for the last 10 trading days up to and including 15 January 2013, being the last trading day prior to the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiation between the Company and the Placing Manager which has taken into account recent market price of the H Shares and the current market conditions. The Directors consider that the terms of the Placing Agreement (including the placing fee and the Placing Price) are fair and reasonable based on the current market conditions and are in the interests of the Company and the Shareholders as a whole.

### **CONDITIONS OF THE PLACING**

Completion of the Placing is conditional upon, inter alia, the GEM Listing Committee granting the listing of and permission to deal in all of the Placing Shares.

If any of such conditions shall not have been fulfilled to the satisfaction of the Placing Manager or waived by the Placing Manager on or prior to 8:00 a.m. (Hong Kong time) on 28 February 2013, the obligations and liabilities of the Company and the Placing Manager under the Placing shall be null and void, and neither the Company nor the Placing Manager shall have any claim against the other for costs, damages, compensation or otherwise.

### **TERMINATION**

The Placing Manager may terminate the Placing Agreement, after consultation with the Company, upon the occurrence of, inter alia, certain force majeure events by giving written notice at any time prior to 8:00 a.m. (Hong Kong time) on the Closing Date.

### **COMPLETION OF THE PLACING**

The Placing is expected to be completed on the Closing Date.

As the Placing is subject to the satisfaction of certain conditions precedent, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

## SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company as at the date of the Placing Agreement and immediately after completion of the Placing on the Closing Date:

<i>Class of Shares</i>	<b>Before the exercise of the Specific Mandate</b>		<b>Immediately after the exercise of the Specific Mandate</b>	
	<i>Number of Shares</i>	<i>of Approximately (%)</i>	<i>Number of Shares</i>	<i>of Approximately (%)</i>
<b>Domestic Shares</b>	<b>512,000,000</b>	<b>72.11</b>	<b>512,000,000</b>	<b>60.09</b>
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
<b>H Shares</b>	<b>198,000,000</b>	<b>27.89</b>	<b>340,000,000</b>	<b>39.91</b>
Shanghai Pharmaceutical Holding Co., Ltd.	70,564,000	9.94	70,564,000	8.28
Public Holders	127,436,000	17.95 ( <i>Note 4</i> )	269,436,000 ( <i>Note 5</i> )	31.62
<b>Total</b>	<b><u>710,000,000</u></b>	<b><u>100</u></b>	<b><u>852,000,000</u></b>	<b><u>100</u></b>

*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, an executive Director; (iv) 15,260,710 Domestic Shares held by Mr. Zhao Da Jun, an executive Director; (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, a non-executive Director.

4. Reference is made to the announcement of the Company dated 20 January 2009 relating to the public float of the Company. The public float of the Company has been lowered to 17.95% upon Shanghai Industrial Investment (Holdings) Co., Ltd (“SIICI”) through Shanghai Pharmaceutical Holding Co., Ltd becoming the ultimate beneficial owner of (i) 139,578,560 Domestic Shares, representing 19.66% of the existing issued share capital; and (ii) an aggregate of 70,564,000 H Shares, representing 9.94% of the existing issued share capital. Since SIICI is a substantial shareholder and connected person of the Company, the 9.94% interest in the H Shares is not counted towards calculation of the public float. As a result, as at the date of this announcement, the public float of the Company is 17.95%. Upon completion of the Proposed New Issue and assuming a total of 142,000,000 New H Shares have been issued, the public float of the Company will be 31.62%.
5. This assumes that a total of 142,000,000 New H Shares have been issued to the public holders upon the exercise of the Specific Mandate.

As at the date of this announcement, the Board estimates that no placee(s) under the exercise of the Specific Mandate will become a substantial shareholder of the Company and the Directors believe that the public float will meet with the requirements for minimum public float under the GEM Listing Rules.

## **COMPANY'S UNDERTAKING**

The Company undertakes to the Placing Manager that it will not, before the Completion, except for Shares to be issued pursuant to the terms of any employee share option scheme of the Company (and in such case the Company shall notify the Placing Manager in writing immediately upon receipt of any notice of exercise in relation thereto), (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares; or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above, without first having obtained the written consent of the Placing Manager, such consent not to be unreasonably withheld.

## **SPECIFIC MANDATE TO ISSUE THE PLACING SHARES**

The Placing Shares will be issued and allotted by the Company pursuant to the Specific Mandate. Pursuant to the Specific Mandate, the Directors are authorised to allot and issue up to 142,000,000 New H Shares. As at the date of this announcement, the Company has not issued any H Shares

pursuant to the Specific Mandate. The issue and sale of the Placing Shares were approved by the CSRC on 11 December 2012.

## **REGULATORY AND CORPORATE APPROVALS**

The Company has obtained all necessary PRC regulatory approval for the Placing, being the approval from the CSRC, as well as the Specific Mandate and the board approval.

## **RANKING OF THE PLACING SHARES**

The Placing Shares will rank pari passu in all respects with the existing H Shares in issue as at the Closing Date, including the right to receive all dividends and distributions declared or made after the Closing Date.

## **REASONS FOR THE PLACING**

The Directors consider that the placing of the Placing Shares will enlarge the shareholder and capital bases of the Company and strengthen its financial position. Accordingly, the Directors consider that the placing of the Placing Shares is in the interests of the Company and its Shareholders as a whole.

## **USE OF PROCEEDS**

The maximum amount of net proceeds (after deducting all applicable costs and expenses, including commission, legal fees and levies) of approximately HK\$229 million from the placing of the Placing Shares is intended to be used for the four pharmaceutical research and development projects, the repayment of the debts of the Company and the working capital of the Company. The net price (after deducting all applicable costs and expenses, including commission, legal fees and levies) raised per H Share upon completion of the Placing will be approximately HK\$1.61.

Particulars of the proposed amounts to be used are as follows:

- (i) approximately HK\$99 million to be used for four pharmaceutical research and development projects, including:
  - (a) approximately HK\$25 million 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 HK\$12 million 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 HK\$25 million 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 HK\$37 million 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 HK\$25 million to be used to repay the debts of the Company; and
  - (iii) approximately HK\$105 million (i.e. the remaining of the net proceeds) to be used for the working capital of the Company.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS**

There has not been any equity fund raising activity of the Company in the 12 months preceding the date of this announcement.

## **APPLICATION FOR LISTING**

Application will be made to the GEM Listing Committee for the listing of and permission to deal in the Placing Shares on the GEM.

## **TERMS AND DEFINITIONS**

*In this announcement, unless the context otherwise requires, the expressions below shall have the following meanings:*

“AGM”	the annual general meeting of the Company convened and held at No. 308, Cailun Road, Zhangjiang Hi-Tech Park, Pudong New Area, Shanghai, China on Friday, 29 June 2012;
“associate”	has the meaning ascribed to it under the GEM Listing Rules;
“Board”	the board of Directors of the Company;
“Business Day”	any day (excluding a Saturday, a Sunday or a public holiday) on which banks are generally open for business in Hong Kong;
“Class Meetings”	the respective class meeting(s) of the holders of H Shares and the holders of Domestic Shares convened and held at No. 308, Cailun Road, Zhangjiang Hi-Tech Park, Pudong New Area, Shanghai, the PRC on Friday, 29 June 2012;



“Closing Date”	the date falling three Business Days immediately after the date on which all the conditions set out in the Placing Agreement shall have been fulfilled, or such other date as the Company and the Placing Manager may agree in writing;
“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;
“Completion”	completion of the obligations of parties on the Closing Date with respect to the Placing pursuant to the Placing Agreement;
“connected person(s)”	has the meaning defined in the GEM Listing Rules;
“connected transaction(s)”	has the meaning defined in the GEM Listing Rules;
“CSRC”	China Securities Regulatory Commission;
“Director(s)”	the director(s) 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 RMB;
“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 (as amended from time to time);
“Group”	the Company and its subsidiaries;
“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;
“Placee(s)”	any professional, institutional or other investor(s) procured by the Placing Manager to subscribe for any of the Placing Shares pursuant to the Placing Agreement;
“Placing”	placement of Placing Shares pursuant to the Placing Agreement;

“Placing Agreement”	the placing agreement dated 16 January 2013 between the Company and the Placing Manager in respect of the Placing;
“Placing Manager”	Guotai Junan Securities (Hong Kong) Limited;
“Placing Price”	the price payable for the Placing Shares at HK\$1.70 per H Share;
“Placing Shares”	a maximum of 142,000,000 New H Shares;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Securities Act”	the United States Securities Act of 1933, as amended;
“Shareholders”	the holders of the H Shares and the Domestic Shares;
“Specific Mandate”	the specific mandate 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 share 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;
“substantial shareholder”	has the meaning defined in the GEM Listing Rules;
“Trading Day” and “Trading Date”	any day on which the Stock Exchange is open for business of dealing in securities; and
“%”	per cent

*Certain amounts and percentage figures included in this circular 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 circular is based on the exchange rate of RMB1 = HK\$1.236 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.*

*\* For identification purposes only*

By order of the Board

**Wang Hai Bo**

*Chairman*

As at the date thereof, 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)

Ms. Ke Ying (Non-executive Director)

Mr. Shen Bo (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**

16 January 2013

*\* For identification purpose only*

*This announcement, for which 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 ("GEM") 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.*

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