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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 limited company incorporated in the People's Republic of China)
(STOCK CODE: 8231)

**Patent and Know How
Collaboration and Licence Agreement**

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

The Directors are pleased to announce that TD, a non-wholly owned subsidiary of the Company, and Avexa entered into the Collaboration and Licence Agreement on 15 April 2007, pursuant to which TD and Avexa agreed to collaborate to evaluate certain compounds and discover new compounds and develop them.

COLLABORATION AND LICENCE AGREEMENT

The Directors are pleased to announce that TD, a non-wholly owned subsidiary of the Company, and Avexa entered into the Collaboration and Licence Agreement on 15 April 2007, pursuant to which TD and Avexa agreed to collaborate to evaluate certain compounds and discover new compounds and develop them including the right of Avexa to conduct clinical trials and obtain regulatory approvals. TD has also agreed to grant to Avexa certain licence to develop its Nifeviroc product. Principal terms of the Collaboration and Licence Agreement are set out below.

Date

15 April 2007

Parties

1. TD, a non-wholly owned subsidiary of the Company
2. Avexa, an Independent Third Party

Collaboration and contingency milestones payments

The Collaboration and Licence Agreement contains certain collaboration payments to TD during the Collaboration Phase to develop collaboration compounds as well as certain

contingency milestones payments if a collaboration compound is selected for further development. Such contingency milestone payments may or may not realize, depending on the progress and success of the collaboration and research and development of the selected collaboration compound. Major terms of collaboration and contingency payments are as follows:

1. During the Collaboration Phase, Avexa will provide to TD certain payments for patent applications and funding for certain research support and chemists to work on the Research Plan.
2. The Collaboration Phase will end if a collaboration compound is selected by Avexa to progress to the development phase, or if it is terminated by Avexa upon giving 30 days prior notice in writing, or by TD giving 60 days prior written notice to Avexa if after 2 years, Avexa has not selected a collaboration compound to enter into the development phase.
3. In the event that Avexa decides to select a collaboration compound, other than a Nifedipine product, to enter into the development phase, Avexa agrees to pay TD a further aggregate amount up to US\$17,600,000 contingent on the occurrence of different milestones.
4. In the event that Avexa exercises its option to take a licence for the development of Nifedipine outside the PRC, Avexa agrees to pay TD a further aggregate amount up to US\$23,500,000 for the development of Nifedipine contingent on the occurrence of different milestones.
5. Royalties will be payable by TD and Avexa in respect of the relevant IP licences granted to each other at specified rates.

Conditions

The transaction contemplated under the Collaboration and Licence Agreement is conditional upon the obtaining of all authorisations required under the laws of the PRC relating to the Collaboration and Licence Agreement and the performance by the parties of the activities contemplated thereunder. If that condition is not fulfilled within 3 months of the date of the Collaboration and Licence Agreement, Avexa may give a notice to TD to terminate the Collaboration and Licence Agreement with effect from the date of the notice.

GEM LISTING RULES IMPLICATIONS

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

This announcement is made by the order of the board of the Company, the Directors of which individually and jointly accept responsibility for the accuracy of this statement.

Shareholders and potential investors are advised to exercise caution when dealing in H shares of the Company.

DEFINITIONS

“AUS\$”	means Australian dollars, the lawful currency of Australia
“Avexa”	means Avexa Limited, a company incorporated in Australia and an Independent Third Party
“Board”	means the board of Directors
“Collaboration and Licence Agreement”	means the Patent and Know How Collaboration and Licence Agreement entered into between TD and Avexa on 15 April 2007
“Collaboration Phase”	means the period from the commencement of the Collaboration and Licence Agreement during which the Research Plan is carried out, until terminated in accordance with the provisions of the Collaboration and Licence Agreement
“Company”	means 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 PRC, whose H shares are listed on the GEM of the Stock Exchange
“Directors”	means the directors of the Company
“GEM”	means the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on the GEM
“Independent Third Party(ies)”	means independent third party(ies) who is (are) not connected persons of the Company as defined in the GEM Listing Rules and is (are) independent of the Company and the connected person of the Company

“JPC”	means the joint project committee established by TD and Avexa as described in the Collaboration and Licence Agreement
“PRC”	means the People’s Republic of China
“Research Plan”	means the plan to develop collaboration compounds as set out in the Collaboration and Licence Agreement
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“TD”	means Shanghai TargetDrug Co. Ltd. or Shanghai Ba Dian Medicine Co., Ltd., a 65% non-wholly owned subsidiary of the Company
“US\$”	means United States dollars, the lawful currency of the United States of America
“%”	per cent.

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)
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. 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 April 2007

* *For identification purpose only.*

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 aspects 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 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.