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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)

PROPOSED GRANT OF RESTRICTED SHARES UNDER THE INITIAL GRANT PURSUANT TO RESTRICTED SHARE SCHEME; AND

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the Circular dated 14 May 2012 in relation to, among others, the adoption of Restricted Share Scheme.

As disclosed in the Circular, the Board has been authorized at the AGM and the Class Meetings held on 29 June 2012 to do all acts and things as they consider necessary or expedient or desirable in connection with the implementation of the Restricted Share Scheme, and to conduct the Initial Grant of not more than 35,500,000 Restricted Shares within one (1) year commencing from the Adoption Date pursuant to the Restricted Share Scheme.

The Board announces that at a meeting of the Board on 9 May 2013, the Board has considered and approved the following resolutions in relation to the Initial Grant pursuant to the Restricted Share Scheme: (i) the Company entered into the Capital Increase Agreement with three executive Directors, namely Mr. Wang Hai Bo, Mr. Su Yong and Mr. Zhao Da Jun, and other Scheme Participants who are not connected persons of the Company under the Initial Grant; and (ii) the Company proposed to amend the Articles of Association according to the result of the grant of Restricted Shares under the Initial Grant pursuant to the Restricted Share Scheme.

The effectiveness of the Capital Increase Agreement and the relevant amendments to the Articles of Association is still subject to the approval by the relevant authorities in China.

Reference is made to the circular to the shareholders of 上海復旦張江生物醫藥股份有限公司 Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd.* (the "**Company**")

dated 14 May 2012 (the "**Circular**") in relation to, among others, the adoption of restricted share scheme. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

As disclosed in the Circular, the Board has been authorized at the AGM and the Class Meetings held on 29 June 2012 to do all acts and things as they consider necessary or expedient or desirable in connection with the implementation of the Restricted Share Scheme, and to conduct the Initial Grant of not more than 35,500,000 Restricted Shares within one (1) year commencing from the Adoption Date pursuant to the Restricted Share Scheme.

The Board announces that at a meeting of the Board on 9 May 2013, the Board has considered and approved the following resolutions in relation to the Initial Grant pursuant to the Restricted Share Scheme: (i) the Company entered into a capital increase agreement for Domestic Shares (the "**Capital Increase Agreement**") with three executive Directors, namely Mr. Wang Hai Bo, Mr. Su Yong and Mr. Zhao Da Jun, and other Scheme Participants who are not connected persons of the Company under the Initial Grant; and (ii) the Company proposed to amend the Articles of Association according to the result of the grant of Restricted Shares under the Initial Grant pursuant to the Restricted Share Scheme.

The effectiveness of the Capital Increase Agreement and the relevant amendments to the Articles of Association is still subject to the approval by the relevant authorities in China.

I. PROPOSED GRANT OF RESTRICTED SHARES UNDER THE INITIAL GRANT PURSUANT TO RESTRICTED SHARE SCHEME

Capital Increase Agreement

The principal terms of the Capital Increase Agreement are set out as follows:

- (i) the Company would grant 35,500,000 Restricted Shares in the one-off Initial Grant to the Scheme Participants at the grant price of RMB0.51 per Restricted Share pursuant to the Restricted Share Scheme;
- (ii) upon completion of the grant of Restricted Shares under the Initial Grant, the number of issued Domestic Shares of the Company would increase from 512,000,000 to 547,500,000, and the registered capital of the Company would increase from RMB85.2 million to RMB88.75 million;
- (iii) Among the 35,500,000 Restricted Shares, 3,000,000 Restricted Shares, 2,000,000 Restricted Shares and 2,000,000 Restricted Shares would be granted to three executive Directors, Mr. Wang Hai Bo, Mr. Su Yong and Mr. Zhao Da Jun, respectively. The remaining 28,500,000 Restricted Shares would be granted to other Scheme Participants who are not connected persons of the Company under the Initial Grant; and

- (iv) the Board would deal with the relevant registration and filing procedures with the relevant authorities in China and other matters in relation to the implementation of the shareholders' approvals.

Shareholding Structure

The shareholding structure of the Company as at the date of this announcement and immediately after the grant of Restricted Shares under the Initial Grant is set out as follows:

<i>Class of Shares</i>	As at the date of this announcement		Immediately after the grant of Restricted Shares under the Initial Grant	
	<i>Number of Shares</i>	<i>Approximately (%)</i>	<i>Number of Shares</i>	<i>Approximately (%)</i>
Domestic Shares	512,000,000	60.09%	547,500,000	61.69%
Shanghai Pharmaceutical Holding Co., Ltd.	139,578,560	16.38%	139,578,560	15.73%
China New Enterprise Investment Fund II	130,977,816	15.37%	130,977,816	14.76%
Shanghai Zhangjiang Hi-Tech Park Development Co., Ltd. (Note 1)	105,915,096	12.43%	105,915,096	11.93%
Mr. Wang Hai Bo	51,886,430	6.09%	54,886,430	6.18%
Mr. Su Yong	18,312,860	2.15%	20,312,860	2.29%
Mr. Zhao Da Jun	15,260,710	1.79%	17,260,710	1.94%
Other Scheme Participants other than connected persons of the Company	nil	nil	28,500,000	3.21%
Others (Note 2)	50,068,528	5.88%	50,068,528	5.64%
H Shares	340,000,000	39.91%	340,000,000	38.31%
Shanghai Pharmaceutical Holding Co., Ltd.	70,564,000	8.28%	70,564,000	7.95%

Public Holders	269,436,000	31.62%	269,436,000	30.36%
Total	852,000,000	100	887,500,000	100

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.

Notes:

1. 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.
2. Such 50,068,528 Domestic Shares are inclusive of (i) 30,636,286 Domestic Shares held by Shanghai Fudan Asset Operating Limited; (ii) 7,215,260 Domestic Shares held by Mr. Li Jun, the deputy general manager of the Company; (iii) 6,562,382 Domestic Shares held by Pudong Technology Investment; and (iv) 5,654,600 Domestic Shares held by Ms. Fang Jing, a non-executive Director.

II. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board has considered and approved the amendments to the Articles of Association according to the result of the grant of Restricted Shares under the Initial Grant pursuant to the Restricted Share Scheme at the meeting of the Board on 9 May 2013. The effectiveness of the relevant amendments is still subject to the approval by the relevant authorities in China. Details of the amendments of the Articles of Association are as follows:

(i). Article 7 of the Articles of Association

The original Article 7 is:

7. In a shareholders' annual general meeting held on June 24th, 2005, the Company amended its articles of association adopted by the special resolutions of its shareholders' annual general meeting held on June 25th, 2004 (the "Original Articles") in accordance with the actual situations concerning its issue of Overseas-Listed Foreign-invested Shares; in a shareholders' Extraordinary General Meeting held on 29 October, 2010, the Company adopted the further amended articles of association of the Company (these "Articles"); upon the authorization by special resolutions passed by the shareholders' Annual General Meeting held on 29 June, 2012, the Board approved this amendment to the articles of association of the Company on March 19, 2013 (the "Amendment to these Articles").

These Articles shall replace the Original Articles as of its effective date. Unless otherwise amended by the Amendment to these Articles, all the other articles of

these Articles shall remain its full effect.

Amended as:

7. In a shareholders' annual general meeting held on June 24th, 2005, the Company amended its articles of association adopted by the special resolutions of its shareholders' annual general meeting held on June 25th, 2004 in accordance with the actual situations concerning its issue of Overseas-Listed Foreign-invested Shares; in a shareholders' Extraordinary General Meeting held on 29 October, 2010, the Company adopted the further amended articles of association of the Company; upon the authorization by special resolutions passed by the shareholders' Annual General Meeting held on 29 June, 2012, the Board approved the amendment to the articles of association of the Company on March 19, 2013; the Board further approved this amendment to the articles of association of the Company on May 9, 2013 (these "Articles").

These Articles shall replace the Original Articles as of its effective date. Unless otherwise amended by the Amendment to these Articles, all the other articles of these Articles shall remain its full effect.

(ii). Article 21 of the Articles of Association

The original Article 21 is:

21. In accordance with the approval of the securities regulatory authorities of the State Council, the Company has actually issued a total of 852,000,000 ordinary shares, among which (1) 530,000,000 Domestic-Invested Shares were issued on the establishment of the Company and were wholly subscribed for by the promoters of the Company, of which 18,000,000 Domestic-Invested Shares originally state owned had been decreased according to relevant laws and administrative regulations and thereafter sold and converted into Foreign-invested Shares; (2) 180,000,000 H shares have been initially issued to foreign investors; (3) 142,000,000 H shares have been issued to foreign investors through capital increase.

Amended as:

21. The Company has actually issued a total of 887,500,000 ordinary shares, among which (1) 530,000,000 Domestic-Invested Shares were issued on the establishment of the Company and were wholly subscribed for by the promoters of the Company; (2) in accordance with the approval of the securities regulatory authorities of the State Council, 180,000,000 H shares have been initially issued to foreign investors, at the same time, 18,000,000 Domestic-Invested Shares originally state owned had been decreased according to relevant laws and administrative regulations and thereafter sold and converted into Foreign-invested Shares; (3) in accordance with the approval of the securities regulatory authorities of the State Council, 142,000,000 H shares have been issued to foreign investors through capital increase; (4) in accordance with the Company's restricted share scheme, 35,500,000 Domestic-Invested Shares have been issued to employees of the Company and entity for restricted share scheme through

capital increase.

(iii). Article 22 of the Articles of Association

The original Article 22 is:

22. In accordance with the approval of the securities regulatory authorities authorized by the State Council, the Company has increased its capital by issuing 180,000,000 Overseas-Listed Foreign-invested Shares, approximately representing 25.35% of the total ordinary shares issued by the Company.

After increase of capital by issuing shares as referred to in the preceding paragraph, the share capital structure of the Company is 710,000,000 issued ordinary shares, of which 381,022,184 Domestic-Invested Shares are held by China General Technology (Group) Holding Ltd. (中國通用技術(集團)控股有限責任公司), Shanghai Pharmaceutical Holding Co., Ltd. (上海醫藥集團股份有限公司), Shanghai Zhangjiang High-Tech Park Development Co., Ltd. (上海張江高科技園區開發股份有限公司), Shanghai Pudong Technology Investment Co., Ltd. (上海浦東科技投資有限公司), Fu Dan University (復旦大學), Wang Hai Bo (王海波), Su Yong (蘇勇), Zhao da Jun (趙大君), Li Jun (李軍) and Fang Jing (方靖), as the promoters of the Company, approximately representing 72.11% of the total issued ordinary shares of the Company; and 198,000,000 H Shares are held by the holders of Overseas-Listed Foreign-Invested Shares (H shares), representing 27.89% of the Company's total share capital.

In accordance with the approval of the securities regulatory authorities authorized by the State Council dated December 11, 2012, the Company has increased its capital by issuing 142,000,000 Overseas-Listed Foreign-invested Shares, approximately representing 20% of the total ordinary shares issued by the Company.

After increase of capital by issuing shares as referred to in the preceding paragraph, the share capital structure of the Company is 852,000,000 issued ordinary shares, of which 381,022,184 Domestic-Invested Shares are held by the promoters-Shanghai Pharmaceutical Holding Co., Ltd. (上海醫藥集團股份有限公司), Shanghai Zhangjiang High-Tech Park Development Co., Ltd. (上海張江高科技園區開發股份有限公司), Shanghai Pudong Technology Investment Co., Ltd. (上海浦東科技投資有限公司), Shanghai Fudan Asset Operation Co., Ltd. (上海復旦資產經營有限公司), Wang Hai Bo (王海波), Su Yong (蘇勇), Zhao da Jun (趙大君), Li Jun (李軍) and Fang Jing (方靖), 130,977,816 Domestic-Invested Shares are held by other shareholders, approximately representing 60.09% of the total issued ordinary shares of the Company; and 340,000,000 H Shares are held by the holders of Overseas-Listed Foreign-Invested Shares (H shares), approximately representing 39.91% of the Company's total share capital.

Amended as:

22. In accordance with the approval of the securities regulatory authorities authorized by the State Council, the Company has increased its capital by issuing 180,000,000 Overseas-Listed Foreign-invested Shares, approximately representing 25.35% of the total ordinary shares issued by the Company.

After increase of capital by issuing shares as referred to in the preceding paragraph, the share capital structure of the Company is 710,000,000 issued ordinary shares, of which 512,000,000 Domestic-Invested Shares are held by China General Technology (Group) Holding Ltd. (中國通用技術(集團)控股有限責任公司), Shanghai Pharmaceutical Holding Co., Ltd. (上海醫藥集團股份有限公司), Shanghai Zhangjiang High-Tech Park Development Co., Ltd. (上海張江高科技園區開發股份有限公司), Shanghai Pudong Technology Investment Co., Ltd. (上海浦東科技投資有限公司), Fu Dan University (復旦大學), Wang Hai Bo (王海波), Su Yong (蘇勇), Zhao da Jun (趙大君), Li Jun (李軍) and Fang Jing (方靖), as the promoters of the Company, approximately representing 72.11% of the total issued ordinary shares of the Company; and 198,000,000 H Shares are held by the holders of Overseas-Listed Foreign-Invested Shares (H shares), representing 27.89% of the Company's total share capital.

In accordance with the approval of the securities regulatory authorities authorized by the State Council dated December 11, 2012, the Company has increased its capital by issuing 142,000,000 Overseas-Listed Foreign-invested Shares, approximately representing 20% of the total ordinary shares issued by the Company.

After increase of capital by issuing shares as referred to in the preceding paragraph, the share capital structure of the Company is 852,000,000 issued ordinary shares, of which 381,022,184 Domestic-Invested Shares are held by the promoters- Shanghai Pharmaceutical Holding Co., Ltd. (上海醫藥集團股份有限公司), Shanghai Zhangjiang High-Tech Park Development Co., Ltd. (上海張江高科技園區開發股份有限公司), Shanghai Pudong Technology Investment Co., Ltd. (上海浦東科技投資有限公司), Shanghai Fudan Asset Operation Co., Ltd. (上海復旦資產經營有限公司), Wang Hai Bo (王海波), Su Yong (蘇勇), Zhao da Jun (趙大君), Li Jun (李軍) and Fang Jing (方靖), 130,977,816 Domestic-Invested Shares are held by other shareholders, approximately representing 60.09% of the total issued ordinary shares of the Company; and 340,000,000 H Shares are held by the holders of Overseas-Listed Foreign-Invested Shares (H shares), approximately representing 39.91% of the Company's total share capital.

In accordance with the Domestic-Invested Shares capital increase agreement dated May 9, 2013, the Company has increased its capital by issuing 35,500,000 Domestic-Invested Shares, approximately representing 4% of the total ordinary shares issued by the Company.

After increase of capital by issuing shares as referred to in the preceding paragraph, the share capital structure of the Company is 887,500,000 issued

ordinary shares, of which 388,022,184 Domestic-Invested Shares are held by the promoters- Shanghai Pharmaceutical Holding Co., Ltd. (上海醫藥集團股份有限公司), Shanghai Zhangjiang High-Tech Park Development Co., Ltd. (上海張江高科技園區開發股份有限公司), Shanghai Pudong Technology Investment Co., Ltd. (上海浦東科技投資有限公司), Shanghai Fudan Asset Operation Co., Ltd. (上海復旦資產經營有限公司), Wang Hai Bo (王海波), Su Yong (蘇勇), Zhao da Jun (趙大君), Li Jun (李軍) and Fang Jing (方靖), 159,477,816 Domestic-Invested Shares are held by other shareholders, approximately representing 61.69% of the total issued ordinary shares of the Company; and 340,000,000 H Shares are held by the holders of Overseas-Listed Foreign-Invested Shares (H shares), approximately representing 38.31% of the Company's total share capital.

(iv). Article 25 of the Articles of Association

The original Article 25 is:

25. The Company's registered capital is Renminbi 85,200,000.

Amended as:

25. The Company's registered capital is Renminbi 88,750,000.

By Order of the Board
Wang Hai Bo
Chairman

As at the date on the publication 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)

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

9 May 2013

** For identification purpose only*

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