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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:1349)

DISCLOSEABLE TRANSACTION

ACQUISITION OF SHARES IN YOUNI BIO-TECH

The Board is pleased to announce that on 12 December 2014, the Company and the Vendors entered into the Share Transfer Agreement, pursuant to which the Company has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the shares in Youni Bio-tech representing 90% of the total registered share capital of Youni Bio-tech at a cash consideration of RMB22,500,000.00 (equivalent to approximately HK\$28,125,000.00) in aggregate.

Upon Completion, Youni Bio-tech will be owned as to 90% and 10% by the Company and Mr. Liang Jun, respectively. As such, Youni Bio-tech will become a 90% owned subsidiary of the Company and its financial results will be consolidated into the accounts of the Company.

As the applicable percentage ratios for the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

A. BACKGROUND

The Board is pleased to announce that on 12 December 2014, the Company and the Vendors entered into the Share Transfer Agreement, pursuant to which the Company has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the shares in Youni Bio-tech representing 90% of the total registered share capital of Youni Bio-tech at a cash consideration of RMB22,500,000.00 (equivalent to approximately HK\$28,125,000.00) in aggregate.

B. SHARE TRANSFER AGREEMENT

1. **Date:** 12 December 2014

2. **Parties:**

Purchaser: the Company

Vendors: Mr. Liang Jun, Mr. Zhang Yulin and Mr. Huang Xiaojin

3. **Shares to be Acquired:** Subject to the satisfaction of the Conditions Precedent, the Company will acquire the shares in Youni Bio-tech representing 40.36%, 30% and 19.64% of the total registered share capital of Youni Bio-tech from Mr. Liang Jun, Mr. Zhang Yulin and Mr. Huang Xiaojin, respectively.

Upon Completion, Youni Bio-tech will be owned as to 90% and 10% by the Company and Mr. Liang Jun, respectively. As such, Youni Bio-tech will become a 90% owned subsidiary of the Company and its financial results will be consolidated into the accounts of the Company.

4. **Consideration:** The aggregate consideration for the Acquisition is RMB22,500,000.00 (equivalent to approximately HK\$28,125,000.00), among which RMB10,089,286 (equivalent to approximately HK\$12,611,607.50) is payable to Mr. Liang Jun, RMB7,500,000.00 (equivalent to approximately HK\$9,375,000.00) is payable to Mr. Zhang Yulin and RMB4,910,714.00 (equivalent to approximately HK\$6,138,392.50) is payable to Mr. Huang Xiaojin.

The Share Transfer Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration was determined based on arm's length negotiations between the Company and the Vendors with reference to: (i) the audited net assets value of Youni Bio-tech as at 31 December 2013 amounting to RMB16,294,604.99 (equivalent to approximately HK\$20,368,256.24); (ii) the business development and future prospects of Youni Bio-tech; and (iii) the synergy effect on the Company.

5. **Payment:** On the second working day after the date on which the Conditions Precedent as set out in paragraph 7.2 below are satisfied or waived, the Vendors shall send a payment notice to the Company. Subject to the acknowledgement of satisfaction or waiver of the Conditions Precedent as set out in paragraph 7.2 below by the Company, the consideration for the Acquisition is payable in one lump sum in cash by the Company to the bank account designated by the Vendors within ten working days after receiving the payment notice. The said consideration will be funded by the internal resources of the Company.

6. **Completion:** Subject to the satisfaction of all terms and conditions of the Share Transfer Agreement, Completion shall take place on the next working day after the date on which the consideration for the Acquisition is paid by the Company or other date mutually agreed in writing by the Company and the Vendors.

7. Conditions Precedent:

Completion shall be conditional upon satisfaction or waiver of the following:

7.1 Youni Bio-tech and the Vendors' obligations under the Share Transfer Agreement are subject to:

- (a) all the requisite transaction documents shall have been executed and delivered to the Vendors by the Company; and
- (b) all the representations and warranties made by the Company under the Share Transfer Agreement shall be true and accurate in all material aspects at and as at the date of the Share Transfer Agreement and at and as at the Completion Date as if made on the Completion Date (excluding any representations and warranties made for a specific date).

7.2 The Company's obligations under the Share Transfer Agreement are subject to, among other things:

- (a) all the requisite transaction documents shall have been executed and delivered to the Company by the Vendors;
- (b) all the representations and warranties made by Youni Bio-tech and the Vendors under the Share Transfer Agreement shall be true and accurate in all material aspects at and as at the date of the Share Transfer Agreement and at and as at the Completion Date as if made on the Completion Date (excluding any representations and warranties made for a specific date). All commitments and agreements required to be performed under the Share Transfer Agreement on or prior to the Completion Date shall have been performed by Youni Bio-tech and the Vendors, and the Company shall have received the certificate which contains the aforementioned matters issued by Youni Bio-tech and the Vendors;
- (c) the Vendors shall have approved the Acquisition; and
- (d) prior to the Completion Date, there shall be no events which may have material adverse effect on the financial position or the business of Youni Bio-tech, and there shall be no evidence which suggests such events would happen.

C. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Acquisition will help the Company further integrate the original in-vitro diagnostic reagent platform of Suyuan Bio, which in turn will lay a foundation for expanding the business of the Group to large diagnostic reagent sector, and the Acquisition is also in line with the industrial distribution and development trend of the diagnostics business of the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Share Transfer Agreement (including the consideration) are fair and reasonable and conducted on normal commercial terms and in the interests of the Company and its shareholders as a whole.

D. GENERAL INFORMATION

(1) Principal Business Activities

The Company is a bio-pharmaceutical company that is principally engaged in the research and development, manufacture and commercialization of new drugs with patents or specific drugs, and provision of auxiliary service.

Youni Bio-tech is a biotechnology company that is principally engaged in the research and development, manufacture and sales of reagents for food safety detection.

(2) Financial Information

The audited net assets value of Youni Bio-tech as at 31 December 2013 was RMB16,294,604.99 (equivalent to approximately HK\$20,368,256.24). The audited net loss of Youni Bio-tech before and after taxation for the year ended 31 December 2013 were RMB4,023,807.91 (equivalent to approximately HK\$5,029,759.89) and RMB4,023,807.91 (equivalent to approximately HK\$5,029,759.89), respectively. The audited net profits of Youni Bio-tech before and after taxation for the year ended 31 December 2012 were RMB355,325.88 (equivalent to approximately HK\$444,157.35) and RMB165,110.50 (equivalent to approximately HK\$206,388.13), respectively.

All the financial information of Youni Bio-tech disclosed in this announcement was audited by the auditors of Youni Bio-tech and was prepared in accordance with the Accounting Standards for Business Enterprises in the PRC.

(3) Implications under the Listing Rules

As at the date of this announcement, Mr. Liang Jun is a director of Suyuan Bio, which is a subsidiary of the Company, and Mr. Liang Jun also owns the shares in Youni Bio-tech representing 50.36% of the total registered share capital of Youni Bio-tech, which in turn owns a 39% equity interest in Suyuan Bio and therefore he is a substantial shareholder of Suyuan Bio. Given that each of the total assets, profits and revenue of Suyuan Bio compared to that of the Group is less than 5% under the percentage ratios under the Listing Rules for the year ended 31 December 2013, Suyuan Bio constitutes an insignificant subsidiary of the Company and therefore Mr. Liang Jun is not regarded as a connected person of the Company under Rule 14A.09 of the Listing Rules.

Saved as disclosed above, to the best of the Directors' knowledge, information and belief and having made all reasonable enquires, each of Mr. Liang Jun, Mr. Zhang Yunlin and Mr. Huang Xiaojin is not a connected person and is independent of any director, chief executive or substantial shareholder or the controlling shareholder of the Company or its subsidiaries or any of their respective associates.

As the applicable percentage ratios for the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

E. DEFINITIONS

Unless the context otherwise requires, the terms used in this announcement shall have the following meanings:

“Acquisition”	the acquisition of shares in Youni Bio-tech representing 90% of the total registered share capital of Youni Bio-tech from the Vendors pursuant to the Share Transfer Agreement
“Board”	the board of Directors
“Company”	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 PRC with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition
“Completion Date”	the date of Completion
“Conditions Precedent”	the conditions precedent to Completion, as set out under the paragraph headed "Conditions Precedent" in this announcement
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the meaning ascribed to such term under the Listing Rules
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share Transfer Agreement”	the share transfer agreement dated 12 December 2014 entered into between the Company and the Vendors, pursuant to which the Company has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the shares in Youni Bio-tech representing 90% of the total registered share capital of Youni Bio-tech
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suyuan Bio”	上海溯源生物技術有限公司 (Shanghai Suyuan Biotechnology Co., Ltd.*), a limited liability company incorporated in the PRC and a subsidiary of the Company, which is owned as to 56% and 39% by the Company and Youni Bio-tech, respectively, as at the date of this announcement

“Vendors”	the three original shareholders of Youni Bio-tech, namely Mr. Liang Jun, Mr. Zhang Yulin and Mr. Huang Xiaojin
“Youni Bio-tech”	上海優你生物科技股份有限公司 (Shanghai Youni Bio-tech Co. Ltd.*), a joint stock company incorporated in the PRC with limited liability and is owned as to 50.36%, 30% and 19.64% by Mr. Liang Jun, Mr. Zhang Yulin and Mr. Huang Xiaojin, respectively, as at the date of this announcement
“%”	per cent.

By Order of the Board

Wang Hai Bo

Chairman

For illustration purposes only, the exchange rate adopted in the announcement is HK\$1.00=RMB0.80.

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. Ke Ying (Non-executive Director)

Mr. Shen Bo (Non-executive Director)

Ms. Yu Xiao Yang (Non-executive Director)

Mr. Zhou Zhong Hui (Independent Non-executive Director)

Mr. Lam Yiu Kin (Independent Non-executive Director)

Mr. Chen Kai Xian (Independent Non-executive Director)

Shanghai, the PRC

12 December 2014

** For identification purpose only*