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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 of the Stock Exchange 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) 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.



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)

**Proposed appointment of new member of audit committee
and clarification announcement
in relation to compliance with Rule 5.05
of the GEM Listing Rules**

Terms used in this announcement shall have the meanings as the announcement of the Company dated 17 March 2003 (the “Announcement”) in relation to the establishment of 上海靶點藥物有限公司 (Shanghai Ba Dian Medicine Co., Ltd.*).

According to the Announcement, after the resignation of Mr. Pei Gang as an independent non-executive Director on the date of Agreement, the Company is unable to comply with GEM Listing Rules 5.05. However, the Directors wish to clarify that the Company still has two independent non-executive Directors, namely, Mr. Feng Zheng Quan and Mr. Cheng Lin as at the date of Announcement. Accordingly, the Company has complied with GEM Listing Rule 5.05. However, after the resignation of Mr. Pei Gang, Mr. Feng Zheng Quan is the only member of the audit committee of the Company. In such regard, the Company will appoint Mr. Cheng Lin as a new member of its audit

committee with effect from the date of Board Meeting as at 21 March 2003, such that the audit committee of the Company comprises two members at all times. Accordingly, the Company is in compliance with GEM Listing Rule 5.23 thereafter.

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

Shanghai, the PRC, 20 March 2003

** For identification purposes only*

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