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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)**

### **PROFIT WARNING**

This announcement is made by Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd.\* (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2017,

- (i) the Board expects to record a decrease in revenue for LIBOd® (里葆多®), one major product of the Group, by approximately 50% for the year ended 31 December 2017 as compared to that for the year ended 31 December 2016, and thus a decrease in revenue of the Group by approximately 20% for the year ended 31 December 2017 accordingly; and
- (ii) the Board expects to record a decrease in net profit of the Group by approximately 50% for the year ended 31 December 2017 as compared to that for the year ended 31 December 2016.

With the gradual implementation of the "two invoice" system, and affected by the change of national policies and the industry environment, NT Pharma (Jiangsu) Co., Ltd. ("NT Pharma") was unable to implement the Sole Agency Agreement for LIBOD® ("Sole Agency Agreement") and gradually reduced the purchase quantity. As the terminal sales volume in year 2017 of LIBOD® has not met the Company's expectation, the Company and NT Pharma reached the agreement to terminate the Sole Agency Agreement. Meanwhile, a new sales and marketing team of oncology drugs is being set up which will be responsible for the sales and promotion of LIBOD® nationwide from 1 January 2018 (for more details, please refer to the announcement of the Company dated 15 December 2017). The changes mentioned above led to sales volume of LIBOD® decline sharply as well as corresponding reduction in revenue and net profit of the Group.

In addition, due to the expansion of operation and investment for the launch of new drugs, the losses of certain subsidiaries of the Group would be increased. Together with the increase of R&D costs, the net profit of the Group would be further decreased.

As at the date of this announcement, the Company is still in the process of preparing the annual results of the Group for the year ended 31 December 2017. The information set out above is only based on a preliminary assessment by the Board with reference to the information currently available to it (including the consolidated management accounts, which have not been finalized or reviewed by the Company's auditors or the audit committee). The audited annual results of the Group for the year ended 31 December 2017, is expected to be published by the end of March 2018.

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

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)  
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. Xu Qing (Independent Non-executive Director)  
Mr. Yang Chun Bao (Independent Non-executive Director)

Shanghai, the PRC

23 January 2018

*\* For identification purpose only*