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SINO HARBOUR HOLDINGS GROUP LIMITED

漢港控股集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1663)

VOLUNTARY ANNOUNCEMENT THE ENTERING INTO OF A STRATEGIC COOPERATION FRAMEWORK AGREEMENT

This announcement is made by Sino Harbour Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to inform its shareholders and potential investors of the latest information about the Group.

The board of directors (the “**Board**”) of the Company is pleased to announce that on 5 October 2015, the Company’s wholly owned subsidiary, Sino Harbour Bio Technology Limited (漢港生物科技有限公司) (“**SH BioTech HK**”) entered into a strategic cooperation framework agreement (the “**Framework Agreement**”) with (i) Zhejiang University of Technology Assets Operation Limited (浙江工業大學資產經營有限公司) (“**Uni Assets Ltd**”) and (ii) Irvine Pharmaceutical Services, Inc. (“**IPS**”).

STRATEGIC COOPERATION FRAMEWORK AGREEMENT

According to the Framework Agreement, all parties will leverage on their respective expertise to enter into the pharmaceutical inspection industry (the “**Cooperation**”). A new company (the “**New Company**”) in the People’s Republic of China (the “**PRC**”) will be set up for the Cooperation purposes. A summary of the salient terms of the Framework Agreement is set out as follows:

1. All parties have agreed that the New Company shall have a registered capital of RMB64.00 million (equivalent to approximately HK\$78.16 million) upon establishment. SH BioTech HK and Uni Assets Ltd will be injecting a capital of RMB32.28 million and RMB12.80 million by cash for a 52% and 20% equity stake in the New Company respectively. IPS will be injecting its intangible assets for a 20% equity stake in the New Company. The remaining 8% equity stake of the New Company will be distributed to the qualified employees of the New Company pursuant to a proposed share incentives plan.
2. Uni Assets Ltd has a facility of 3,300 square metres, which is established according to the U.S. Food and Drug Administration (“**FDA**”) standards (the “**Facility**”). Uni Assets Ltd shall rent the Facility and the corresponding laboratory facilities to the New Company for a period of not less than ten years. The rental price shall be set on an arms’ length basis in accordance with a third party’s independent valuation report.
3. Uni Assets Ltd and IPS shall provide the necessary support and assistance to the New Company in relation to the establishment of a service centre for pharmaceutical services including third-party pharmaceutical testing, customized synthesis, prescription technology, new drug research, drug safety evaluation and clinical trial in the PRC and the Asian-Pacific region (the “**Pharmaceutical Centre**”).
4. Uni Assets Ltd and IPS shall provide the necessary assistance to enable the Pharmaceutical Centre to pass the relevant FDA inspection and/or audit so that the Pharmaceutical Centre will be qualified to issue testing and analytical reports according to the regulations promulgated and enforced by the FDA. Subject to FDA’s satisfactory review, the Pharmaceutical Centre will be one of the first batch of approved qualified laboratories in the PRC.
5. The Pharmaceutical Centre will apply to the relevant authorities of the PRC for the qualification of China Metrology Accreditation (中國計量認證) of China National Accreditation Service for Conformity Assessment (中國合格評定國家認可委員會).
6. The New Company shall develop a trading platform to assist pharmaceutical products from the PRC to enter into the markets in the United States of America (the “**USA**”), Canada and the European Union.
7. The Collaborative Innovation Centre of Yangtze River Delta Region Green Pharmaceuticals (長三角綠色製藥協同創新中心) (“**YRD Innovation Centre**”) and the Zhejiang University of Technology (浙江工業大學) (“**ZH Tech University**”) shall cooperate with the New Company to expand the influence and the market share as well as provide sufficient technology and human resources support to the New Company.

8. For ensuring the effective operation of the New Company, the New Company will acquire 100% equity interest in Hangzhou IPS Pharmaceutical Technology Co., Ltd. (“**Hangzhou IPS**”) from the Uni Assets Ltd.

BACKGROUND OF UNI ASSETS LTD AND IPS

Uni Assets Ltd is an asset management company established by ZH Tech University in November 2002. ZH Tech University is a reputable comprehensive university in the PRC. The YRD Innovation Centre, which is led by ZH Tech University and associated with several reputable pharmaceutical enterprises and research organisations, is one of the fourteen collaborative innovations centres selected into “The Enhancement Program of Innovation Ability for Institutions of Higher Education (高等學校創新能力提升計劃)” in the first batch nationally. Moreover, the YRD Innovation Centre is the only pharmaceutical collaborative innovation centre among the fourteen collaborative innovation centres. “The Enhancement Program of Innovation Ability for Institutions of Higher Education”, also called the “2011 Program (2011計劃)”, was jointly implemented by the Ministry of Education and Ministry of Finance of the PRC. The 2011 Program advocates the improvement of the innovation capabilities of the institutions of higher education through the collaboration of institutions of higher education, enterprises and government authority.

Hangzhou IPS is wholly-owned by Uni Assets Ltd, which is a pharmaceutical research, development and analytical services company. The principal activities of Hangzhou IPS include pharmaceutical quality test technology development, pharmaceutical technology consultancy service and medical device quality inspection technology development. As mention above, Uni Assets Ltd has a facility of 3,300 square metres, which is established according to FDA standards.

IPS is a reputable pharmaceutical development and manufacturing company established in 1988 under the laws of California, the USA. IPS is a pharmaceutical inspection company approved by the review of FDA with a package of services under the regulations enforced by FDA, which includes pharmaceutical analysis and inspection, drug device testing, analytical chemistry and biopharmaceutical development. The founder and Chief Executive Officer of IPS has over 30 years of experience in pharmaceutical science and biochemistry and has extensive knowledge in FDA regulation. If the Pharmaceutical Centre is qualified under the review requirements of FDA, IPS can issue the inspection reports accredited by FDA for the pharmaceutical inspection performed by the Pharmaceutical Centre.

REASONS FOR THE COOPERATION

The Group is principally engaged in property development in the PRC. In line with the increasing gross national income, health consciousness of the public has increased. Therefore, there will be a huge market demand and potential in the medical treatment industry which is expected to grow rapidly. In addition, as the PRC pharmaceutical industry will focus on high-end pharmaceutical products progressively, there will be a demand for the New Company's pharmaceutical services. In accordance with the *Opinions Of The CPC Central Committee On Deepening The Reform Of The Institutional Mechanisms And Accelerate The Implementation Of Innovation Driven Development Strategy* (中共中央關於深化體制機制改革加快實施創新驅動發展戰略的若干意見) issued by the State Council of the PRC (中華人民共和國國務院) on 13 March 2015, the PRC government stated that it will expedite the specialisation and market reform of third party's inspection institutes.

The Board is of the view that the entering into of the Framework Agreement will provide an opportunity for the Group to enter into the pharmaceutical inspection industry and expand its income sources.

The Board considers that the terms of the Framework Agreement are fair and reasonable and the Cooperation is in the best interest of the Company and its shareholders as a whole.

The Board wishes to emphasize that the Framework Agreement is not legally binding and it may or may not lead to the entering into and/or completion of any formal agreement. Any such further business development mentioned above may or may not materialize. The shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Sino Harbour Holdings Group Limited
SHI Feng
Deputy Chairman and Executive Director

Hong Kong, 6 October 2015

As at the date of this announcement, the Board comprises seven Directors, including three executive Directors, namely Mr. SHI Feng (Deputy Chairman and Chief Executive Officer), Mr. WONG Lui and Ms. GAO Lan; one non-executive Director, namely Ms. CHAN Heung Ling (Chairlady); and three independent non-executive Directors, namely Mr. XIE Gang, Mr. LEE Man To and Ms. ZHANG Juan.