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漢港控股
SINO HARBOUR HOLDINGS

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
ENTERING INTO OF A JOINT VENTURE AGREEMENT**

On 15 December 2015, SH BioTech HK entered into a JV Agreement to incorporate a New Company in the PRC to enter into the pharmaceutical inspection industry.

As all the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Subscription by the Company are less than 5%, the Subscription does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

Reference is made to the announcement of Sino Harbour Holdings Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) dated 6 October 2015 (the “**Announcement**”) in relation to the Company’s wholly owned subsidiary, Sino Harbour Bio Technology Limited (漢港生物科技有限公司) (“**SH BioTech HK**”) entering into of a strategic cooperation 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**”).

This announcement is made by the Company on a voluntary basis to inform its shareholders and potential investors of the latest information about the Group.

Further to the Announcement, the board of directors of the Company (the “**Board**”) is pleased to announce that on 15 December 2015, SH BioTech HK entered into a joint venture agreement (the “**JV Agreement**”) with Uni Assets Ltd and IPS in relation to incorporation of a joint venture company (the “**New Company**”) in the People’s Republic of China (the “**PRC**”).

JV AGREEMENT

Consideration and Payment

All parties have agreed that the New Company shall have a registered capital of RMB64.00 million (equivalent to approximately HK\$76.89 million) upon establishment.

SH BioTech HK will be injecting a capital of RMB38.40 million (equivalent to approximately HK\$46.13 million) by cash (the “**Consideration**”) to subscribe for a 60% equity stake in the New Company (the “**Subscription**”). 30% of the Consideration (i.e. RMB11.52 million or equivalent to approximately HK\$13.84 million) will be settled within 1 month after the issue of the business license to the New Company (the “**Issue**”). The remaining 70% of the Consideration will be paid in accordance with the operation needs of the New Company within 6 years after the Issue. Pursuant to the JV Agreement, SH BioTech HK can transfer 8% of the equity stake of the New Company to the qualified employees of the New Company. The board of directors of the New Company shall determine the list of qualified employees and implementation rules. Upon the completion of the Subscription, the New Company will be a subsidiary of the Company.

Uni Assets Ltd will be injecting a capital of RMB12.80 million to subscribe for a 20% equity stake in the New Company. 30% of its consideration (i.e. RMB3.84 million), will be settled within 1 month after the Issue. The remaining 70% of its capital contribution will be paid in accordance with the operation needs of the New Company within 6 years after the Issue.

IPS will be injecting its intangible assets (including but not limited to the drawings, operation systems, standard operation procedure and other documents and information) which are required for the operation of the New Company in an aggregate fair value of RMB12.80 million in return for a 20% equity stake of the New Company. The fair value of the intangible asset shall be set on an arms’ length basis in accordance with a third party’s independent valuation report conducted by professional valuers in the PRC and subject to the relevant PRC authorities’ approval.

Principal Terms of the JV Agreement

A summary of the salient terms of the JV Agreement is set out as follows:

- (a) The New Company shall be named “Zhejiang IPS Pharmaceutical Technology Co., Ltd. (浙江美測藥品科技有限公司)”.
- (b) 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 quality research and standard inspection, customized synthesis, prescription technology, new drug research, drug safety evaluation and clinical trial in the PRC and the Asian-Pacific region (the “**Pharmaceutical Centre**”).
- (c) Uni Assets Ltd shall rent the necessary facilities to the New Company for its operation. The rental price shall be set on an arms’ length basis in accordance with a third party’s independent valuation report.
- (d) 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.
- (e) 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) and China National Accreditation Service for Conformity Assessment (中國合格評定國家認可委員會).
- (f) 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.
- (g) The New Company shall involve in the drug quality standards and third-party arbitration services.
- (h) The New Company shall provide training on FDA related services and standards for Chinese drug manufacturing enterprises.

- (i) The New Company shall provide services of FDA application and advices for Chinese drug manufacturing enterprises.
- (j) The New Company shall establish branch offices in major pharmaceutical regional centres in the PRC to expand its market share.
- (k) 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 New Company’s influence and market share as well as provide sufficient technology and human resources support to the New Company.
- (l) For ensuring an effective operation of the New Company, the New Company will acquire 100% equity interest in Hangzhou IPS Pharmaceutical Technology Co., Ltd. (“**Hangzhou IPS**”) from Uni Assets Ltd.

Non-Competition Arrangement

All parties to the JV Agreement shall not engage in a business which is in competition with the New Company in the PRC (including Taiwan, Hong Kong and Macau) within the term of the JV Agreement and five years after the termination of the JV Agreement.

Conditions of the JV Agreement

The JV Agreement shall only be effective upon approval by ZH Tech University.

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 the 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 authorities.

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.

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 of 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.

With the Group's intent to enter into the pharmaceutical related industry, another wholly-owned subsidiary of the Company had entered into a subscription agreement to subscribe for a 30% equity interest in Zhejiang Davi Pharmaceutical Co., Ltd. with other independent third parties on 27 November 2015. The Board is of the view that the entering into of the JV Agreement will provide a further opportunity for the Group to enter into the pharmaceutical inspection industry and expand its income sources.

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

GENERAL

As all the applicable percentage ratios set out in Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in respect of the Subscription by the Company are less than 5%, the Subscription does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

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

Hong Kong, 15 December 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.