



The Group's Shareholding of Zhejiang IPS is to Increase to 75% Demonstrating the Group's Confidence

(Hong Kong, 4 November 2016) — **Sino Harbour Holdings Group Limited** (“Sino Harbour” or the “Group”) (Stock code: 1663) is pleased to announce that Sino Harbour Bio Technology Limited (漢港生物科技有限公司) (“SH BioTech HK”), the Group’s wholly-owned subsidiary, has entered into a supplemental agreement (the “Supplemental Agreement”) with Irvine Pharmaceutical Services, Inc. (“IPS”) and Zhejiang University of Technology Assets Operation Limited (浙江工業大學資產經營有限公司) (“Uni Assets Ltd”) to adjust their shareholdings in the joint venture “Zhejiang IPS Pharmaceutical Technology Co., Ltd. (浙江美測藥品科技有限公司)” (“New Company”) to be established by the three parties. SH BioTech HK’s shareholding is to increase from the original 60% to 75%, demonstrating the Group’s confidence in the prospects of the pharmaceutical inspection industry.

According to the Supplemental Agreement, the registered capital of the New Company will be RMB60.00 million (equivalent to approximately HK\$68.73 million). SH BioTech HK will be injecting a capital of RMB45.00 million (equivalent to approximately HK\$51.55 million) in cash to subscribe for a 75% equity stake in the New Company (the “Subscription”) and upon the completion of the Subscription, the New Company will be a subsidiary of the Group. IPS will be injecting its intangible assets in an aggregate fair value of RMB12.00 million in return for a 20% equity stake of the New Company. Uni Assets Ltd will be injecting a capital of RMB3.00 million for a 5% equity stake in the New Company. IPS will guarantee that the New Company (and its facilities) shall pass the relevant US Food and Drug Administration (“FDA”) inspection and/or audit and obtain the FDA registration in order to become a FDA approved laboratory within two years after the Issue.

Mr. Wong Lui, Executive Director of Sino Harbour, said, “Our plan to increase shareholding again testifies to our determination to enter the pharmaceutical inspection industry and our optimism about the industry’s prospects. Rapid economic development in the PRC has boosted the demand for high-end pharmaceutical products and related pharmaceutical services among Chinese residents, and we expect such demand to grow continuously. Therefore, we resolve to capture the huge business opportunities thereby facilitating the diverse development of our business and expanding the income sources accordingly.”

In December 2015, SH BioTech HK has entered into a joint venture agreement with Uni Assets Ltd and IPS to incorporate a joint venture in the PRC, “Zhejiang IPS Pharmaceutical Technology Co., Ltd.”, to develop the pharmaceutical inspection business. The New Company is to establish a service centre for pharmaceutical services (the “Pharmaceutical Centre”) including third-party pharmaceutical quality research and standard inspection, customised synthesis, prescription technology, new drug research, drug safety evaluation and clinical trials in the PRC and the Asian-Pacific region, and enable the Pharmaceutical Centre to pass the relevant FDA inspection and/or audit in order to qualify to issue testing and analytical reports according to the regulations promulgated and enforced by the FDA. Subject to the FDA’s satisfactory review, the Pharmaceutical Centre is to be one of the first batch of US FDA-approved qualified laboratories in the PRC.

The New Company shall develop a trading platform to assist pharmaceutical products from the PRC to enter markets in the USA, Canada and the European Union. It will be involved in the attainment of drug quality standards and engage in third-party arbitration services. The New Company will also provide training on FDA-related services and standards for Chinese drug manufacturing enterprises, provide services for FDA application and advice for Chinese drug manufacturing enterprises and establish branch offices in major pharmaceutical regional centres in the PRC aimed at expanding its market share.

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About Sino Harbour Holdings Group Limited

Sino Harbour is an early-mover in developing high potential PRC property projects. Currently, the Group is also actively diversifying its business into pharmaceutical related and science and technology related industries.

About IPS

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.

About Uni Assets Ltd

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.