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**SILICON VALLEY-BAY AREA REGION AND SHANGHAI/YANGTZE REGION
SIGN ECONOMIC COOPERATION AGREEMENT ON
BIOTECH, “GREEN TECH,” INFORMATION TECH AND TRANSPORTATION**

*Memorandum of Cooperation Between U.S. and China Innovation Capitals Marks
Beginning of Groundbreaking Economic Partnership*

SAN FRANCISCO and SHANGHAI, April 25, 2007 — Today, the Bay Area Council, representing more than 250 of the largest employers in the San Francisco-Silicon Valley-Oakland Bay Area region, and the Shanghai-Hong Kong Council for the Promotion and Development of Yangtze (“Yangtze Council”), representing leading companies in the Shanghai/Yangtze region, signed the first region-to-region memorandum of understanding (MOU). The agreement is aimed at strengthening the global competitiveness of both regions by setting up a framework for increasing economic cooperation in several key areas including biotechnology and life sciences, “green technology,” information technology, and transportation/logistics.

As a first step, the Councils will immediately explore the creation of a private investment fund to support specific business proposals in each of the emerging technologies. This fund will provide entrepreneurs in the Yangtze region with the opportunity to turn their ideas into profitable businesses while developing the potential for new innovations. Bay Area companies will be encouraged to participate in the development of new technologies with these partners, while building access to the burgeoning Chinese market. Through this agreement, the Yangtze Council and the Bay Area Council will help position both regions as centers for innovation and identify and foster growth opportunities.

“The Bay Area Council – Yangtze Council MOU truly marks a groundbreaking achievement,” said Vincent H.S. Lo, President of the Yangtze Council and Chairman and Chief Executive of the Shui On Group. “Through this first-ever region-to-region commercial agreement, companies will take proactive steps to complement each region’s strengths by creating new innovations and business opportunities.”

“The Bay Area is one of the most ‘globalized’ regions in the world, and there are already strong economic ties between our region and the Shanghai/Yangtze region” said Jim Wunderman, President and CEO of the Bay Area Council. “Both of us vie in an aggressive planet-wide competition where innovation and technology can shift regional fortunes faster than ever before. It is our hope that this agreement will make both the Yangtze region and the Bay Area stronger global competitors.”

Richard Kramlich, Chairman of the Bay Area Council’s China Committee, and Co-Founder and General Partner of New Enterprise Associates, the world’s largest venture capital fund, based in Silicon Valley, said “By creating a fund that focuses investment in the knowledge industries in the Yangtze region, we will harness the best attributes of both regions. We hope to tap unique qualities which would be unavailable to conventional venture capitalists.”

In addition to the creation of the new fund, the agreement calls for several areas of priority that will provide strategic benefits to the Bay Area and Yangtze Regions.

The Councils will jointly explore the development of mutually supportive “knowledge-based communities,” applying the Bay Area’s model of combining the best capabilities of its universities, urban areas and scientific parks to the Yangtze region. The process will begin with a focus on the fast developing Knowledge and Innovation Community (KIC) in the Yangpu District of Shanghai, and with demonstrated success, will expand to other areas of the region. This integration is expected to result in new technological innovations in information technology, nano-technology, software development, biotechnology and life sciences, and “green” technology.

“The combination of new risk capital as well as relationships with established Bay Area/Silicon Valley companies will help assure the success of the Yangpu District’s efforts to establish itself as a major knowledge-based, research and development center” said Mr. Chen Anjie, Secretary Director, CPC Committee, Yangpu District.

With regard to “green” technologies, the Bay Area will apply its significant leadership to help develop technological innovations in the Yangtze Region that address global environmental issues. Since the Shanghai region is undergoing a major physical transformation with the construction of many new buildings and structures, specific focus will be placed on technologies to create energy efficient buildings that can have major, positive impacts to reduce greenhouse gases and their impact on global warming.

A scan of major Bay Area technology companies shows that many are already taking advantage of development opportunities in the Yangtze region. The two regions will work together to support further growth, opportunities and incentives to ensure maximum competitive advantages for these organizations by developing appropriate aspects of their business in the Yangtze.

After 32 years of doing business and relationship building in Asia, Leland “Skip” Whitney, a founding member of the Bay Area Council China Committee and Principal, GVA Matthews, feels that the time for joint action has never been better. “This partnership creates a profoundly new vehicle to accelerate and deepen the commercial and investment ties between the Bay Area and the Yangtze region.”

Finally, as both regions serve as major import and export gateways to their respective countries, the Councils will explore opportunities to develop and maximize logistics, supply chain improvements, and trade relationships.

With the backing of prominent businesses in their respective regions and local government support, both organizations advocate strong economic development, vibrant business environments and better qualities of life for community members.

Mr Lo, President of the Yangtze Council, sees the partnership agreement as a natural extension of existing ties between the regions. “The Yangtze and the Bay Area share a lot in common as the innovation capitals of their respective countries. There is also a great history of friendship and mutual support. Jointly developing the economic potential of both regions together, on a common platform, is the logical next step in our long relationship” said Mr. Lo.

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About the Yangtze Council

The Yangtze Council is a not-for-profit and non-government organization established in 1998. It blends the political strength and connections of the Shanghai Municipal government with some of Hong Kong's leading business executives and investors in China to advance the development of the Yangtze region. The Council is designed to facilitate investment by overseas enterprises in

the Yangtze region by providing key market-entry and economic-development assistance. The Council is headed by Vincent H.S. Lo, Chairman and CEO of Shui On Group, and its members include some of the most prominent and leading business persons in Shanghai and Hong Kong.

For more information, please visit the Council's website: www.yangtzecouncil.org

About the Bay Area Council

[Founded in 1945, the Bay Area Council \(www.bayareacouncil.org\) develops and drives regional public policy initiatives and researches critical infrastructure issues. Led by CEOs, the Bay Area Council presents a strong, united voice for hundreds of major employers throughout the Bay Area region whom employ more than 501,000 workers, or one of every six private sector employees in the Bay Area.](http://www.bayareacouncil.org)