UNI-BIO SCIENCE GROUP LIMITED
聯康生物科技集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0690)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER 2020

- The turnover in the second half of 2020 exceeded expectation, and was able to offset most of the shortfall in the first half of 2020. For the year ended 31 December 2020 (the "**Year**"), the Group recorded a turnover of HK$208.8 million.

- GeneTime® generated remarkable turnover, sales of GeneTime® reached HK$137.2 million, representing an increase of 9.5% YoY. The Group's newly-developed digital marketing and pharmaceutical e-commerce platform will continue to be a strong sales driver of GeneTime®.

- General and Administrative expenses ("**G&A Expenses**") as percentage of turnover decreased from 28.4% in 2019 to 17.2% in 2020. Selling and distribution expense improved from 71.3% last year to 70.0% in 2020.

- For 2020, the Group recorded a loss of HK$71.3 million (2019: profit of HK$2.5 million), with a basic loss per share of HK1.11 cents (2019 basic earnings per share: HK0.04 cents). Excluding the impact of write-off of intangible assets and impairment loss on deposit paid for the acquisition of intangible assets in 2020 together with one off gains from disposal of property and subsidiary in 2019, the normalised operating loss was significantly reduced from HK$62.7 million in 2019 to HK$34.8 million in 2020.

* *For identification purposes only*

- Pinup® had been successfully approved by the National Medical Products Administration ("**NMPA**") for Bioequivalence ("**BE**") certification in December 2020 and had been included in the national centralized procurement list on 8 December 2020. The approval would facilitate Pinup®'s hospital tenders and listings, especially in national procurement, to achieve a higher market share in the anti-fungal infection drug market.

- Boshutai® (Acarbose Tablets) was granted approval for marketing in China by NMPA on 10 November 2020 and the Group has also passed GMP manufacturing inspection and was approved to manufacture Boshutai® from 10 December 2020.

- Uni-PTH (pre-filled injection pen) or 2nd Generation Uni-PTH and Uni-GLP were successfully approved by NMPA for clinical trial during the Year. The Group will begin conducting bridging clinical trial for 2nd Generation Uni-PTH. Supported by recent data, Uni-GLP has proven its developmental potential in treatment of COVID-19 and other high value indications.

- Formation of strategic partnerships with Swiss self-care giant Ypsomed, Chengdu Medlinker Technology Company Limited ("**Medlinker**"), Sinopharm Weiqida Pharmaceutical Company Limited ("**Sinopharm Weiqida**") and Suzhou Yingli Medical Technology Company Limited ("**Suzhou Yingli**") for product development, pharmaceutical e-commerce platform expansion and product supply chain enhancement.

The board (the "**Board**") of directors (the "**Directors**") of the Uni-Bio Science Group Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2020 as follows:

KEY FINANCIAL HIGHLIGHTS

For the year ended 31 December

	2020	2019
Revenue *(HK$'000)*	**208,776**	209,449
Adjusted EBITDA *(HK$'000)*	**(92,357)**	27,376
Gross profit margin *(%)*	**86.7%**	86.7%
R&D costs to revenue *(%)*	**19.5%**	20.4%
As at 31 December		
Current ratio *(times)*	**3.01**	3.53
Gearing ratio *(%)*	**0.0%**	0.0%
Total assets turnover *(%)*	**82.6%**	70.7%

FINANCIAL FIGURES BASED ON REPORTABLE SEGMENT FOR THE YEAR ENDED 31 DECEMBER 2020 AND 2019

	Year ended 31 December		
	2020	2019	**Change**
	HK$'000	*HK$'000*	
Revenue	**208,776**	209,449	-0.3%
Cost of sales	**(27,682)**	(27,932)	-0.9%
Gross profit	**181,094**	181,517	-0.2%
Other revenue	**16,323**	20,193	-19.2%
Other gains and losses	**(7,077)**	(1,248)	467.1%
Selling and distribution costs	**(145,515)**	(149,338)	-2.6%
General and administrative expenses	**(35,830)**	(59,393)	-39.7%
Research and development costs	**(40,728)**	(42,702)	-4.6%
Equity-settled share-based payment expenses	**(10,890)**	(8,344)	30.5%
Write-off of intangible assets	**(28,245)**	–	N/A
Gains on disposal of subsidiaries	**–**	18,777	-100%
Gains on derecognition of investment properties, right-of-use assets and property plant, and equipment	**–**	46,427	-100%
Finance costs	**(73)**	(749)	-90.3%
(Loss)/profit before taxation	**(70,941)**	5,140	-1,480.2%
Income tax expense	**(378)**	(2,681)	-85.9%
(Loss)/profit for the year	**(71,319)**	2,459	-3,000.3%

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In the first half of 2020, a large scale of preventive and control measures in curbing the COVID-19 outbreak were implemented throughout China. As hospital visits were highly restricted in the first four months of 2020, sales of the Group's products were duly affected. Along with efforts from all sectors of the society, the pandemic was largely under control by April 2020, with business and traffic starting to resume normal nationwide. And the sales of GeneTime®, GeneSoft®, Pinup® and Bokangtai® recovered significantly since then, offsetting the drastic drop in sales at the beginning of the year.

During the period of COVID-19, there has been an increasing demand for online hospitals and online pharmacies. Pharmaceutical e-commerce and internet medical services become the obvious up-and-coming markets in China, with the number of newly-established digital health and wellness companies reaching 11,000 in the first quarter of 2020, and the total number of online hospitals also grew by 317.6% from 119 in December 2018 to 497 in April 2020, as stated in a Frost & Sullivan Report. The Ministry of Commerce's statistics shows that, China's pharmaceutical e-commerce market reached RMB97.8 billion in 2018, with a year-on-year increase of 32.7%. Frost & Sullivan also predicts the market will reach RMB456 billion and RMB1.2 trillion by 2024 and 2030, respectively. The upward trend of the online consultation and pharmaceutical e-commerce market is expected to sustain, driven by the advancement of technology and the shift to online shopping.

The Group has taken proactive steps to invest in its digital business channels, and its expansion into online healthcare will certainly deliver much better products and services for patients and clinical practitioners, thus driving the Group's products sales and enhancing its brand awareness for the years to come.

BUSINESS REVIEW

Uni-Bio Science – A Fully Integrated Biopharmaceutical Company

Uni-Bio Group is a biopharmaceutical company focusing on diabetes and related metabolic disorders, dermatology and ophthalmology. From research and development ("**R&D**"), production, manufacturing, to sales and distribution of biopharmaceutical and chemical drugs, the Group has established a fully integrated business platform serving the entire value chain. As of 31 December 2020, the Group has launched 5 products into the market, namely GeneTime®, GeneSoft®, Pinup®, Bokangtai and Boshutai®.

KEY ACCOMPLISHMENTS IN 2020

Pinup® Received BE Certification from the National Medical Products Administration

In December 2020, the Group's Pinup® (Voriconazole Tablets) had been successfully approved by the National Medical Products Administration ("**NMPA**") for Bioequivalence ("**BE**") certification. The approval would facilitate its hospital tenders and listings, especially in national procurement, to achieve a larger market share in the anti-fungal infection drug market. This approval was timely that Voriconazole had been included in the national procurement tender on 8 December 2020.

Public hospital is the major sales channel for Voriconazole Tablets. If the Group's Voriconazole Tablets wins the volume-based procurement, public hospitals would consider Pinup® with priority when additional procurement is needed. Pinup® also has advantages in winning orders from non-contracted hospitals due to its competitive pricing.

Uni-PTH Liquid Injection Received IND Approval by the NMPA

In September 2020, the Group's Uni-PTH (pre-filled injection pen) or 2nd Generation Uni-PTH was successfully approved by NMPA for clinical trial. The approval allowed the Group to begin conducting bridging clinical trials, which accelerated the expected launch of 2nd Generation Uni-PTH.

In May 2020, Beijing BKJ started a partnership with Swiss self-care giant Ypsomed to co-develop 2nd Generation Uni-PTH alongside YpsoPen®, a state-of-the-art pen injector with unparalleled dosing accuracy which minimized injection pain. Together with YpsoPen®, 2nd Generation Uni-PTH is designed to provide a safer and long-term self-care solution for osteoporosis and ostealgia patients. Compared with the chemical synthesis form drugs introduced by other brands, Uni-PTH is one of the few wholly biological expression preparations which has very limited competition in China market, therefore enjoying enormous market potential.

The NMPA Granted Marketing Approval for Boshutai ® (Acarbose Tablets) in China

The Group's Boshutai® (Acarbose Tablets) was approved for marketing in China by NMPA on 10 November 2020. The Group has also passed GMP manufacturing inspection and was approved to begin manufacturing of Boshutai® on 10 December 2020. The approvals represented that the Group was qualified to produce and launch Boshutai® as a newly approved generic drug, which marks another milestone for the Group in the metabolic industry. The Group has started the production of Boshutai® in the first quarter of 2021, and is expecting product sales and meaningful contribution to the Group in the remainder of the year.

As manufacturing cost advantage is essential for the success of Acarbose Tablets, the Group has established a strategic partnership to ensure Boshutai® would be manufactured at the most competitive cost. In April 2020, the Group's wholly-owned subsidiary, Beijing Genetech Pharmaceutical Company Limited ("**Beijing BKJ**"), formed a strategic partnership with Sinopharm Weiqida Pharmaceutical Company Limited ("**Sinopharm Weiqida**") and Suzhou Yingli Medical Technology Company Limited ("**Suzhou Yingli**") to lower the production cost, increase manufacturing efficiency and streamline the overall supply chain. Suzhou Yingli is responsible for the early development of Acarbose active ingredient (API), and Sinopharm Weiqida is responsible for the industrialization development, manufacturing and supply of Acarbose API. As a result, Beijing BKJ will have at least 10 years of stable supply of Acarbose API. This collaboration facilitates Boshutai® to become a future winner of the national drug volume-based procurement, due to its stable and quality manufacturing capability as well as significant cost advantages in raw material supply.

GLP-1 Injection Clinical Trial Application was Successfully Approved by the NMPA and Uni-GLP has Developmental Potential in Treatment of COVID-19 and Other Indications

The application for clinical trial of Recombinant GLP-1 Injection ("**Uni-GLP**") has been approved by NMPA on 14 July 2020. Currently, the Group's professional and technical teams are making great efforts in preparing for clinical trial-related work. Based on new data presented, GLP-1 RAs can be a potential treatment for a wide range of high value indications such as obesity, cardiovascular disease ("**CVD**"), nonalcoholic fatty liver disease ("**NAFLD**") and nonalcoholic steatohepatitis ("**NASH**"), Alzheimer's disease ("**AD**"), as well as new coronavirus disease 2019 ("**COVID-19**"; caused by severe acute respiratory syndrome coronavirus 2, "**SARS-CoV-2**"), representing significant unmet medical needs.

The Group is optimistic about Uni-GLP's potential in new therapeutic areas. The Group has already partnered with several universities in China on research programs to conduct pre-clinical research of Uni-GLP in obesity, as well as to formulate a new innovative oral or 3rd generation Uni-GLP. Supported by the recent data of GLP-1 RA in treatment of CVD, NAFLD, NASH, AD and COVID-19, the Group was in talks with NMPA and prospective partners to expand Uni-GLP into these new areas.

Expanded Value Chain Towards Pharmaceutical E-commerce

On 14 May 2020, the Group's wholly-owned subsidiary, Shenzhen Watsin Genetech Limited ("**Watsin**") partnered with Chengdu Medlinker Technology Company Limited ("**Medlink**") to co-develop digital marketing and pharmaceutical e-commerce platform for the Group's products. On top of traditional e-commerce, the collaboration with Medlink encompasses multiple disciplines including smart healthcare, disease management, patient and clinical practitioner education, academic marketing, healthcare big data, and drug tracing system, with the aim of creating an integrated healthcare service platform. The expansion into online healthcare is expected to deliver much better service for patients and clinical practitioners, expanding its available marketing channels, and enhancing brand awareness. In addition, the Group is also proactively exploring partners such as Haodaifu (好大夫在線) and other respective platforms to address the unmet needs for online drug sales.

Genetime® is the first product of the Group to be introduced to this new channel and the market reception was encouraging in the second half of 2020. The Group expects the collaboration will continue to be a strong sales driver of GeneTime®, and the successful model can be easily replicated to other products, thus driving greater sales growth for all products of the Group in the future.

R&D and Pipeline Progress

During 2020, the Group continued to focus its R&D efforts on innovative and proprietary products in endocrinology, ophthalmology and dermatology areas. Currently, the Group has several leading patented biopharmaceutical products and certain high-value generic products under various stages of development. The Group's R&D team is working diligently to research and discover newly-patented drugs to fulfill the unmet medical needs of patients.

Patented Biologic Drugs

Products/ Components	Indication	Pre-clinical	Phase 1	Phase 2	Phase 3	NDA	Marketed
Metabolic							
Uni-PTH (powder)	Osteoporosis	✓	✓	✓	✓	✓	
Uni-PTH (liquid)	Osteoporosis	✓	CTE	CTE	CTE		
Uni-PTH (oral)	Osteoporosis	✓					
Uni-GLP (liquid)	Type 2 Diabetes	✓	CTE	CTE	✓		
Uni-GLP (liquid)	Obesity	✓					
Uni-GLP (oral)	Type 2 Diabetes	✓					

Note: CTE, the abbreviated form of clinical trial exemption, refers to the authorization to administer an investigational agent to patients or volunteer subjects under specified conditions of a particular research study in a clinical setting. Upon approval, the new drug can be exempted from Phase I/II/III clinical trial.

Uni-PTH

Uni-PTH (a recombinant human parathyroid hormone 1–34 analogue), a proprietary product that is under R&D of the Group, is effective in treating osteoporosis and bone pain, increasing bone density and reducing the risk of bone fracture. Currently, the drug is the only class of anabolic agent which can actively increase bone density and reduce the chance of vertebral and hip fractures by stimulating osteoblasts activity. Through stimulating new bone formation, Uni-PTH can quickly improve bone quality and increase bone density within 6 months of treatment, therefore reducing fracture incidence and bone pain, which is especially helpful in treating patients with moderate-to-severe osteoporosis and ostealgia. 2nd Generation Uni-PTH improves upon the formulation of 1st Generation Uni-PTH in terms of patient convenience. Uni-PTH is also one of the few fully-biological expressed parathyroid hormone analogue in the world, which has very limited competition in China market.

While the launch of the Group's powder form Uni-PTH product has been delayed, its Uni-PTH (pre-filled injection pen) or 2nd Generation liquid form Uni-PTH has been successfully approved by the NMPA for clinical trial in September 2020. The delay was due to the outbreak of COVID-19 and the fast changing of registration requirements. The Group is currently in consideration to adjust its strategy and accelerate the development of 2nd Generation liquid form Uni-PTH directly. The Group has begun conducting bridging clinical trials, which will accelerate the launch of 2nd Generation liquid form Uni-PTH. The strategic collaboration with Swiss self-care giant Yposmed will develop 2nd Generation Uni-PTH alongside YpsoPen®, a state-of-the-art pen injector with unparalleled dosing accuracy which minimizes injection pain. This product will provide a safer and long-term self-care solution for osteoporosis and ostealgia patients.

Uni-GLP

The Group's GLP-1 product is the first biologically expressed GLP-1 agent in the world. Although the biological expression of GLP-1 has the same primary structure sequence as the chemically synthesized Exenatide, it is more similar to the natural GLP-1 existing in living body in terms of secondary structure, with a more complete and stable biologically spatial structure, leading to potentially better efficacy and safety. Due to its higher technical requirement, the product will not be easily replicated, thus enjoying greater advantages in pricing, price support (as it is not included in the national volume-based procurement for chemical drugs) and higher entry barrier compared with chemically synthesized Exenatide. The product also enjoys the benefits from stable active pharmaceutical ingredients supply as no external procurement is required. With its clinical, cost and pricing advantages, GLP-1 has the potential of becoming a leading product in the blue ocean market of China. In addition, the liquid formulation developed by the Group is compatible with safe and efficient injection pens for multiple uses without reconstitution, offering greater convenience compared with the powder formulation.

The application for clinical trial of Uni-GLP submitted by the Group has been accepted by the NMPA on 14 July 2020. Currently, the Group's professional and technical personnel are making great efforts to prepare for clinical trial-related works.

High Value Generic Products and Bioequivalence Studies

Product	**Indication**	**Status**	**Remark**
Endocrinology			
Boshutai®	Type 2 Diabetes	Boshutai® (Acarbose Tablets) has been granted approval for marketing in China by the NMPA	Co-developed with Beijing Baiao Pharmaceutical Co., Ltd.
Bokangtai®	Type 2 Diabetes	Bioequivalence ("**BE**") result was not ideal, and progress was stopped due to the increasing pricing pressure from the centralized procurement	Reviewing the current collaboration and profitability of the business model
Infectious Disease			
Pinup®	Fungal infection	Pinup® has been approved by the NMPA for BE certification	

Boshutai®

Boshutai® (Acarbose tablet) is an oral anti-diabetic drug targeting patients with pre-diabetes condition who need to be treated early, or those with poorly-controlled post prandial hyperglycemia. Acarbose tablet is especially suitable for Asians' carbohydrate-rich diet.

Following the official approval for marketing in China on 10 November 2020 from the NMPA, the Group also passed GMP manufacturing inspection on 10 December 2020, which indicated that the Group is qualified to manufacture Boshutai®. Regarding its next step, the Group will focus on the launch and successful commercialization of Boshutai®. Acarbose tablet is expected to be included in the next national drug volume-based procurement list in 2022. Armed with the stable supply of API and Market Authorization Holder ("**MAH**") strategy, Boshutai® is strongly competitive in winning the upcoming centralized procurement.

Pinup®

Pinup® (Voriconazole tablets) is a major drug for the treatment of severe fungal infections. As the first line treatment recommended by clinical guidelines, Voriconazole takes action by blocking the growth of the fungal cell wall, and is widely used in oncology, hematology, respiratory, and ICUs patients who have compromised immune systems.

According to IMS statistics, the market size for China's anti-fungal medicine in 2017 amounted to RMB4.9 billion, of which Voriconazole accounted for the biggest share of approximately 50%. The market value for anti-fungal medicines between 2014 and 2017 maintained a double-digit growth, a level that surpassed the growth of the Chinese pharmaceutical market of 4% to 9%. The Group is currently in a great position to quickly capture the market due to its safe, effective and affordable offering of Pinup®.

RESULTS OVERVIEW

For the year ended 31 December 2020 (the "**Year**"), the Group recorded a turnover of HK$208.8 million, representing a slight decrease of approximately 0.3% year-on-year (2019: HK$209.4 million). The decrease in turnover is mainly attribute to the significant sales drop in the first quarter of 2020 during the outbreak of COVID 19. The turnover in the second half exceeded expectation, and was able to offset most of the shortfall in the first half of 2020.

Cost of sales for the Year decreased by 0.9% from HK$27.9 million in 2019 to HK$27.7 million in 2020. Gross profit was HK$181.1 million (2019: HK$181.5 million), whereas gross profit margin remained stable at 86.7% (2019: 86.7%). General and Administrative expenses ("**G&A Expenses**") decreased for three consecutive years, thanks to the ongoing internal control and business optimization by digitalization, together with the restructuring of the Group's sales force and the building of its direct sales team since 2018. For the Year, G&A Expenses decreased by 39.7% from HK$59.4 million in 2019 to HK$35.8 million in 2020, accounted for 17.2% of turnover as compared with 28.4% in 2019. The percentage of selling and distribution expense over turnover improved to around 70.0% in 2020 from 71.3% in 2019 because of the Group's cautious salesforce optimization. R&D expenses slightly decreased by 4.6% to HK$40.7 million due to the completion of several clinical tests, of which the development expenses have been capitalized.

Operating loss for the Year was HK$70.9 million due to a write-off of intangible assets from certain old technologies of previous version products (Uni-PTH and Uni-GLP) and an impairment loss on deposit paid for the acquisition of intangible assets for Bokangtai® , whose BE result was unsatisfactory and its BE process was suspended. Excluding the impact of write-off of intangible assets and impairment loss on deposit paid for the acquisition of intangible assets in 2020 together with one off gains from disposal of property and subsidiary in 2019, the normalised operating loss was significantly reduced from HK$62.7 million in 2019 to HK$34.8 million in 2020. For 2020, the Group recorded a loss of HK$71.3 million (2019: profit of HK$2.5 million), with a basic loss per share of HK1.11 cents (2019 basic earnings per share: HK0.04 cents).

Marketed drugs sales

GeneTime®

The Group's star product, GeneTime®, is a prescription biological drug for wound healing. During the Year, turnover generated from GeneTime® reached HK$137.2 million, representing an increase of 9.5% from approximately HK$125.3 million in 2019. The remarkable turnover growth was mainly attributable to the strong recovery from hospital sales due to efforts of the Group's broad market team, as well as the additional turnover from the newly-developed digital marketing and pharmaceutical e-commerce platform since May 2020.

GeneSoft®

GeneSoft® is therapeutic drug for dry eye syndrome, corneal damage and post-operative healing. During the Year, GeneSoft® recorded a decrease in turnover from approximately HK$33 million in 2019 to HK$31.6 million, representing a decrease of 4.2%. The decrease was mainly attributable to the serious reduction in patients' hospital visits since the outbreak of COVID-19, despite there was a gradual recovery in the second half of the Year.

Pinup®

The Group's self-developed chemical pharmaceutical product Pinup® (Voriconazole tablets) recorded a decrease of 21.9% in turnover from approximately HK$48.0 million to approximately HK$37.5 million during the Year. Market competition was keen as Pinup® did not received its BE Certification from the NMPA until December 2020. The decrease was also attributed to the reduction in patients' hospital visits due to the COVID-19 outbreak.

Bokangtai®

During the Year, turnover of Bokangtai® decreased by -19.4% from HK$3.1 million to approximately HK$2.5 million in 2020. The decrease was mainly attributed to the reduction in patients' hospital visits as the pandemic outbreak in 2020.

FINANCIAL PERFORMANCE REVIEW

Revenue

Sales Developments

For the Year, the Group recorded a flat turnover of approximately HK$208.8 million, representing a slight decrease of approximately 0.3% year-on-year.

Proprietary Biological Pharmaceutical Products

The Group's proprietary biological pharmaceutical products include GeneTime® (EGF spray indicated for wound healing) and GeneSoft® (EGF-derivative eye drop indicated for corneal damage and post-operative healing). During the Year, proprietary biological pharmaceutical products achieved HK$168.5 million in sales, representing an increase of approximately 6.4% as compared with last year. Proprietary biological pharmaceutical products represented approximately 80.7% of total sales for the Year.

Proprietary Chemical Pharmaceutical Products

The Group's chemical pharmaceutical products include Pinup® (Voriconazole tablets which is tailored to treat severe fungal infection) and Bokangtai® (Mitiglinide tablets, which was launched by Uni-Bio Group in 2017 to treat Type 2 diabetes). During the Year, the segment recorded a turnover of HK$40.3 million, with Pinup® and Bokangtai® contributing sales of HK$37.5 million and HK$2.8 million respectively.

Gross Profit and Gross Profit Margin

During the Year, gross profit was approximately HK$181.1 million, representing a decrease of 0.2% as compared with approximately HK$181.5 million for 2019. The decline in gross profit was mainly led by the decrease of turnover generated from its major products. Gross profit margin remained stable at 86.7% (2019: 86.7%).

Selling and Distribution Expenses

During the Year, selling and distribution expenses recorded a decrease from approximately HK$149.3 million in 2019 to approximately HK$145.5 million in 2020, while the percentage of selling expenses over turnover decreased from 71.3% last year to 70.0% in 2020. The decrease was mainly attributable to the continuous structural optimization to its salesforce and distribution channels.

Research and Development Expenses

Research and development expenses in 2020 was approximately HK$40.7 million, representing a decrease of 4.6% from HK$42.7 million in 2019. In terms of percentage to turnover, research and development expenses decreased from 20.4% in 2019 to 19.5% in 2020. This was mainly attributable to the completion of several clinical tests, of which the development expenses have been capitalized. Including the capitalized amount, the Group's total research and development expenses amounted to HK$49.1 million in 2020.

General and Administrative Expenses

For the Year, G&A Expenses recorded a decrease of 39.7% from HK$59.4 million in 2019 to HK$35.8 in 2020, attributable to the Group's ongoing effort in implementing its internal control and cost-cutting measures.

Other Income

Other income for the Year was approximately HK$16.3 million, representing a decrease of 19.2% compared with HK$20.2 million in 2019. Excluding the government grant of HK$12.5 million received in 2019 for the commercialization of Uni-PTH, the Group recorded a relatively stable income from its non-core businesses, such as leasing and interest received from bank deposit.

Operating Profit for Marketed Products and Profit for the Year

Due to a wirte-off of HK$28.2 million of intangible asset from certain old businesses, operating loss for the Year was HK$70.9 million. Excluding extraordinary items which are activities outside the ordinary and usual course of business in both 2020 and in 2019, such as the impact of write-off of intangible assets and impairment loss on deposit paid for the acquisition of intangible assets in 2020 together with one off gains from disposal of property and subsidiary in 2019, the normalised operating loss was significantly reduced from HK$62.7 million in 2019 to HK$34.8 million in 2020.

For the Year, the Group recorded a loss of HK$71.3 million (2019: profit of HK$2.5 million).

PROSPECT

Outlook

Due to the aging population, there has been a surge in healthcare spending in the past 10 years. The COVID-19 outbreak has further promoted the growth of the global pharmaceutical industry, which is expected to reach USD2,151.1 billion by 2027, representing a compound annual growth rate (CAGR) of 7.0% for the period from 2019 to 2027. The coronavirus pandemic has not only driven the growth of the pharmaceutical industry, but also boosted the online healthcare sector, especially in China. According to a research by Boston Consulting Group, 78% of doctors in China obtained medical information online, with a frequency of eight times a week during COVID-19, and about 620 million people used the online and digital medical services, which were close to 70% of the total mobile internet users in China. Regulatory reforms have been introduced to support the digitalization of the healthcare industry. The National Development and Reform Commission proposed to strengthen infrastructure of online medical services as well as allowing online medical services to be covered by the country's medical insurance system. Internally, the Group has been utilizing information technology system to manage sales and production in order to improve efficiency. The Group believes that the favorable online market environment and government policies would benefit its business operation and promote business growth in the future.

Focusing on the Sales of EGF Products

The Group's signature products, GeneTime® and GeneSoft®, have been well-received by the market. The collaboration with Medlink to develop digital marketing channels has proved to be successful, as GeneTime® recorded a tremendous increase in turnover in the second half of 2020. The Company will continue to utilize the online resources to promote GeneTime®.

In the first half of 2021, the Group will regain its distribution and promotion rights of GeneSoft® from its partners, CR Zizhu. Leveraging its well-established direct sales team to promote GeneSoft®, it will allow the Group to achieve greater sales efficiency with lower selling and distribution expenses, eventually getting a higher profit margin in the future. Meanwhile, the Group will continue to optimize its direct sales team and invest further marketing resources to expand its network among lower-tiers hospitals. By improving the communication with hospitals from different regions, as well as launching related incentive programs, the Group will look to enhance its channel management and drive further sales growth. According to a recent research released by the Business Research Company, the global dermatology drugs market is expected to reach US$62.83 billion by 2025 at a CAGR of 12%, with Asia Pacific being the largest contributing region, accounting for 36% of the market in 2020. The Group will leverage the aforementioned strategies to capture the massive market opportunities.

To accommodate the increasing demand, the Group is planning to expand the production capacity for its EGF products. The Group is evaluating various locations in China by assessing their local supply chain and infrastructure, regional policy incentives and support as well as potential space for future expansion. These factors would ensure that the Group can enjoy lower production and transportation costs which will facilitate the future commercialization of products. New technologies will also be integrated to this new plant to further increase efficiency and decrease production costs. The new site is expected to commence operations in 2023.

Based on a recent research published on the Science Citation Index (SCI), one of the most famous searchable journals in the world today, the combination of vacuum sealing drainage (VSD) with recombinant human epidermal growth factor (rhEGF) can aid in wound healing. Animal testing had been carried out and proven that in vitro, a rhEGF concentration of 10 ng/mg can promote the proliferation and migration of epithelial cells and fibroblasts to the greatest extent. While in vivo, combining VSD with rhEGF and kept in place for 10 min then washed would promote wound healing better than control group. The Group is excited about the potential of EGF in treating acute skin wounds caused by burns and injury. As a participant of this research, the Group formed a closer relationship with the hospitals and clinical KOLs, which will facilitate it in exploring the use of EGF in this new therapeutic area in the future.

Awaiting for Results of Pinup® in National Drug Volume-based Procurement Which Will Help Secure Future Growth

The Group submitted the tender application of Pinup® for the National Drug Volume-based Procurement and has been waiting for the results announcement. Pinup® is a voriconazole tablet that is tailored to treat severe fungal infection, and the Group is one of the only two manufactures that has passed BE certification for the 50mg formulation of voriconazole at the end of 2020. The Group is confident that Pinup® will be included in the procurement and believes that the successful inclusion will help meeting the rising demand of anti-fungal medicine in the both public as well as private hospitals, and will deliver positive impact to the Group's top and bottom line in the future.

Focusing on the Commercialization of Acarbose Tablet

The Group was qualified to produce and launch Boshutai® (Acarbose Tablet) as a newly approved generic drug in 2021, which marks yet another milestone for the Company in the metabolic industry. In 2021, the Group will focus on the commercialization of Boshutai®, and expects immediate sales contribution from the product. By partnering with Sinopharm Weiqida and Suzhou Yingli, the Group is able to secure the stable development, manufacturing and supply of API, and is able to ensure that it is manufactured at the lowest cost possible, offering significant cost advantages to the Group in the national drug volume-based procurement in 2022. Meanwhile, the Group will promote Boshutai® through third-party channels, including online platforms, retail pharmacies, as well as private hospitals, to further expand its distribution coverage at a competitive pricing. Through the expanded channels, the Group will decrease payment pressure of medical insurance, and provide high-quality and affordable therapeutic options, which will better serve China's diabetes patients. This will also generate a meaningful contribution to the Group's turnover in the coming years.

Accelerating the Clinical Research Progress

The Group will focus on the research and development of innovative drugs, including Uni-GLP and Uni-PTH. The clinical trial application of Uni-GLP has been approved by the NMPA on 14 July 2020. Meanwhile, the Group is waiting for the clinical trial approval of liquid form GLP-1 and will begin the clinical studies in 2021. In 2020, research has proven that there is a wide range of uses of GLP-1 RAs in treating various indications, such as obesity and COVID-19. The Group is optimistic about the potential of Uni-GLP in new therapeutic areas, and will continue to collaborate with several universities in China to conduct preclinical research of Uni-GLP in obesity, as well as to formulate a new innovative oral or 3rd generation Uni-GLP. The Group will continue to look for prospective partners to expand Uni-GLP into different new areas.

The Group also obtained clinical trial approval from the NMPA for liquid form Uni-PTH. In 2021, the Group will begin conducting bridging clinical trials, and wishes to submit the New Drug Application within 2021. If the process goes smoothly, it is expected that the powder form Uni-PTH will be launched in 2021 and liquid form Uni-PTH can be launched in as soon as 2022.

Establishing Commercialization Platform to Explore Upstream and Downstream Market Opportunities

The Group aims to establish a leading drug commercialization platform in expanding its business scale in both upstream and downstream markets. In terms of upstream operations, the Group is looking for collaborations with innovative research and technology companies that are equipped with pharmaceutical development capabilities. While the partner company focuses on developing novel drugs, the Group will conduct clinical research and be responsible for commercialization in China by leveraging its extensive distribution network. In March 2021, the Group has formed a partnership with DotBio Pte. Ltd. ("**DotBio**"), a highly innovative biopharmaceutical company in Singapore, to co-develop next generation, best-in-class therapeutics for patients with retinal diseases. According to Frost & Sullivan, the prevalence of wet age-related macular degeneration (AMD), a type of retinal diseases, in China was 3.4 million in 2017 and is expected to reach 4.0 million in 2022 and 4.8 million in 2030. Leveraging on DotBio's unparalleled technology capability in the ophthalmology space, together with the Group's extensive experience in fermentation, purification, quality assurance and quality control of E.coli-expressed proteins, the Group believes that the partnership is able to diversify the Group's pipeline and capture the rising needs of the AMD treatment market.

The Group will also expand its distribution channels by tapping into pharmaceutical e-commerce. Since the outbreak of COVID-19, there has been an increasing demand for online hospitals and pharmacies. The online platforms not only allow patients to access services including online healthcare consultation, e-prescription and drug purchase at any time anywhere, but also expand doctors' coverage and exposure by solving their bottleneck of being in one hospital at a time. The pharmaceutical e-commerce arena would definitely provide doctors and patients with higher degree of convenience and cost-efficiency, and that would in turn, drive more direct sales of the Group's drugs. The collaboration with Medlink was a huge success with GeneTime®. On top of the existing features, the Group is exploring various functions to strengthen the platform, such as leveraging artificial intelligence for product introduction, which could further improve sales efficiency. With the successful promotion of GeneTime®, the Group plans to replicate the model to other products, including the Group's up-and-coming chronic disease product, Uni-PTH, by adding them to the digital marketing channels.

The Group believes that aforementioned strategies will accelerate its product pipeline, enhance its operational efficiency and strengthen its sales network. These would in turn, promote its rapid growth and generate fruitful returns for its shareholders.

Liquidity and Financial Resources

As at 31 December 2020, the Group's bank deposits, bank balances and cash amounted to approximately HK$25.0 million. The Group had total assets of approximately HK$252,717,000 (as at 31 December 2019: HK$296,453,000), and current assets of approximately HK$181,439,000 (as at 31 December 2019: HK$192,469,000), while current liabilities were at HK$60,372,000 as at 31 December 2020 (as at 31 December 2019: HK$54,599,000). The total current liabilities to total assets ratio is 23.9% (as at 31 December 2019: 18.4%). The Group's major interest and operations are in the PRC. The Group also contracts with suppliers for goods and services that are denominated in Renminbi ("**RMB**"). The Group does not hedge its foreign currency risks as the rate of exchange between Hong Kong dollar and RMB is managed within a narrow range.

Employment and Remuneration Policy

As of 31 December 2020, the Group employed 293 staff, including 22 staff in the PRC R&D department, 140 staff in the PRC production department, 75 staff in the PRC commercial office and 5 staff in the Hong Kong headquarters. The Group has adopted a competitive remuneration package for its employees to attract and retain top talent. Promotion and salary increments are assessed based on performance. Share options may also be granted to staff with reference to the individual's performance.

DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2020 (For the year ended 31 December 2019: Nil).

AUDIT COMMITTEE

The audit committee currently comprises the three independent non-executive Directors, namely Mr. Chow Kai Ming, Mr. Ren Qimin and Mr. Ma Qinshan. The audit committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2020.

The Company's auditor BDO Limited has reported on the financial statements of the Group for the current and prior year. The auditor's reports were unqualified, and did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports.

COMPLIANCE WITH THE CORPORATE GOVERNANCE

The Company has complied with all the applicable code provisions in the Corporate Governance Code set out in Appendix 14 to the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") throughout the year ended 31 December 2020.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' dealings in the Company's securities. Specific enquiry has been made of all the directors of the Company and the directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2020.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of this announcement, the Company has maintained sufficient public float as required under the Listing Rules during the year under review and up to the date of this announcement.

MATERIAL ACQUISITIONS AND DISPOSALS OF ASSETS, SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

Saved as disclosed herein, the Group did not make any material acquisitions and disposals of assets, subsidiaries, associated company and joint ventures during the year ended 31 December 2020.

DISCLOSEABLE TRANSACTION–THE SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS

On 17 January 2020, WTGL (the "**Subscriber**"), a direct wholly-owned subsidiary of the Company, entered into the first subscription agreement (the "**First Subscription Agreement**") and the second subscription agreement (the "**Second Subscription Agreement**") with CCB Shenzhen Branch, pursuant to which the Subscriber subscribed for the Wealth Management Products from CCB Shenzhen Branch in the principal amount of RMB5,000,000 and RMB25,000,000 respectively. The term of investment period commenced from 17 January 2020 to 20 April 2020 in the First Subscription Agreement and 17 January 2020 to 13 July 2020 in the Second Subscription Agreement respectively.

On 3 September 2020, the Subscriber entered into a subscription agreement with CCB Shenzhen Branch (together with the "**First Subscription Agreement**" and the "**Second Subscription Agreement**", collectively "**Subscriptions**"), pursuant to which the Subscriber subscribed for the Wealth Management Products from CCB Shenzhen City Branch in the principal amount of RMB30,000,000, commencing from 3 September 2020 to 13 January 2021.

As the highest applicable percentage ratios in respect of the Subscriptions, on an aggregated basis, exceeds 5% but is less than 25%, the Subscriptions constituted a discloseable transaction under Chapter 14 of the Listing Rules and was subject to the reporting and announcement requirements under the Listing Rules.

For details of the above transactions, please refer to the announcements of the Company dated 17 January 2020 and 3 September 2020, respectively.

CONNECTED TRANSACTION

On 16 November 2018, Greater Bay Capital Limited ("**Purchaser B**") and Zethanel Properties Limited ("**Vendor B**") entered into an agreement ("**WTGL SP Agreement**"), pursuant to which Purchaser B conditionally agreed to purchase and Vendor B conditionally agreed to sell: (1) the a land parcel located at Nanshan district with a total site area of 8,129 square metres (the "**WTGL Land**") and its property rights (the "**Property Rights**"), representing all the economic rights relating to the land use rights of and property rights of the buildings constructed thereon the WTGL Land, which is held by Shenzhen Watsin Genetech Limited* ("**WTGL**"), an indirect wholly-owned subsidiary of the Company; and (2) the WTGL sale shares ("**WTGL Sale Shares**", together with disposal of the WTGM Land and Property Rights, collectively "**WTGL Disposal**"), representing all the equity interest in Shenzhen Tongchuang Biological Engineering Co., Ltd.* ("**WTGL B**"), a company to be established and separated from WTGL as a result of the WTGL split-off (the "**WTGL Split-off**"), which will hold the title of the land use rights of the WTGL Land and property rights of the buildings constructed on the WTGL Land.

The WTGL consideration (the "**WTGL Consideration**") for the WTGL Disposal is RMB60,000,000 (equivalent to HK$67,536,000), which shall be settled in the following manner: (1) first phase: as to RMB36,000,000 at the WTGL Land and Property Rights completion; (2) second phase: as to RMB12,000,000 on the 5th business day after the completion of the WTGL Split-off; or on 31 December 2019 (or if such day is not a business day, the immediately preceding business day), whichever date is earlier; and (3) third phase: the remaining RMB12,000,000 at the WTGL Sale Shares completion; or on 31 December 2019 (or if such day is not a Business Day, the immediately preceding business day), whichever date is earlier.

On 31 December 2019, the parties to the WTGL SP Agreement entered into a supplemental agreement (the "**First Supplemental Agreement**") to the WTGL SP Agreement to (1) extend the WTGL Sale Shares completion long stop date to 30 June 2020 (or such other date as Vendor B and Purchaser B may agree in writing); and (2) extend the third phase payment of the WTGL Consideration, the remaining RMB12,000,000, to at the WTGL Sale Shares Completion; or on 30 June 2020 (or if such day is not a business day, the immediately preceding business day), whichever date is earlier.

On 22 June 2020, the parties to the WTGL SP Agreement entered into a second supplemental agreement (the "**Second Supplemental Agreement**") to the WTGL SP Agreement to (1) further extend the WTGL Sale Shares completion long stop date to 31 December 2020 (or such other date as Vendor B and Purchaser B may agree in writing); and (2) further extend the third phase payment of the WTGL Consideration, the remaining RMB12,000,000, to at the WTGL Sale Shares Completion; or on 31 December 2020 (or if such day is not a business day, the immediately preceding business day), whichever date is earlier.

On 11 August 2020, the parties to the WTGL SP Agreement entered into the third supplemental agreement (the "**Third Supplemental Agreement**") in relation to the variation of terms to vary certain terms of the WTGL SP Agreement pursuant to which the parties have agreed to (1) extension of the WTGL Sale Shares completion long stop date to 31 December 2021 (or such other date as Vendor B and Purchaser B may agree in writing); (2) last date of third phase payment of the WTGL Consideration – notwithstanding any provisions in the WTGL SP Agreement and that whether the WTGL Sale Shares completion had taken place or not, the third phase payment of the WTGL Consideration, i.e. RMB12,000,000, shall be paid by Purchaser B to Vendor B at the latest on 31 December 2021 or if earlier, at the WTGL Sale Shares completion; and (3) a definitive period of the rent-free period – under the original WTGL SP Agreement, Purchaser B has undertaken (and where applicable, shall procure WTGL B to comply with such undertaking) to Vendor B and WTGL that they shall be entitled to use, free of charge, the WTGL Land and the property on the WTGL Land for the period ("**Rent-free Period**") commencing from the WTGL Land use and Property Rights completion until the end of the 12 months' period following the completion of the WTGL Split-off and the titles of the land use rights of and property rights on the WTGL Land having been transferred to WTGL B. Pursuant to the Third Supplemental Agreement, such Rent-free Period was set to commence on the date of the WTGL Land and Property Rights completion (i.e. 25 March 2019) and end on 31 December 2020. After such Rent-free Period, if applicable, the parties may enter into a lease agreement for the lease of the WTGL Land in which the rental payable shall not be higher than the prevailing market price (such market price to be determined by an independent property valuer).

Under the Third Supplemental Agreement, Purchaser B and Vendor B have further confirmed that (a) the WTGL Land Use and Property Rights completion, that is, the completion of the disposal of the WTGL Land and Property Rights pursuant to the WTGL SP Agreement, had taken place on 25 March 2019; (b) the WTGL Split-off has been completed whereby WTGL B is the split-off entity of the surviving WTGL; and (c) the first and second phases of the WTGL Consideration, of an aggregate amount of RMB48,000,000, had been paid by Purchase B to Vendor B.

Vendor B is principally engaged in investment holding and an indirect wholly-owned subsidiary of the Company.

Purchaser B is a company incorporated in BVI with limited liability which is principally engaged in investment holding. As the date of Third Supplemental Agreement: (1) the mother of Mr. Kingsley Leung, an executive Director and Chairman of the Board, is an indirect 60% beneficial owner of Purchaser B; (2) Mr. Chen Dawei, an executive Director, is an indirect 10% beneficial owner of Purchaser B; (3) Vital Vigour Limited, a substantial shareholder of the Company, is an associate of an indirect 15% shareholder of Purchaser B; and (4) each of Mr. Chen Dawei, the mother of Mr. Kingsley Leung and a brother of Mr. Leung is a director of Purchaser B. Accordingly, Purchaser B is an associate of Mr. Kingsley Leung and Purchaser B is a connected person of the Company under the Listing Rules.

The WTGL Land and Property Rights completion took place on the same date. Further, the WTGL Split-off was completed on 29 May 2019. Shortly after the completion of the WTGL Split-off, the Group had already started the preparatory work for the transfer the title of the land use rights of the WTGL Land and property rights of the buildings constructed on the WTGL Land in June 2019 by making application to the tax authority for the relevant tax concessions in connection with such disposal. Such tax concessions were obtained in August 2019 and the Group has made the application to the relevant land bureau for the transfer in September 2019. On 31 December 2019, the parties to the WTGL SP Agreement entered into the First Supplemental Agreement to extend the WTGL Sale Shares Completion Long Stop Date to 30 June 2020 (or such other date as Vendor B and Purchaser B may agree in writing), and accordingly, extend the third phase payment of the WTGL Consideration to at the WTGL Sale Shares completion; or on 30 June 2020 (or if such day is not a Business Day, the immediately preceding Business Day). When the First Supplemental Agreement was entered into, it was expected by the parties that the remaining steps under the WTGL Disposal and the WTGL Sale Shares completion could be completed by such then extended date.

Nonetheless, the outbreak of COVID-19 since early 2020 was unprecedented and unexpected. An infectious disease in nature, COVID-19 has spread to various regions and countries and regions and as announced on 11 March 2020, the World Health Organization has made the assessment that COVID-19 can be characterised as a pandemic. The COVID-19 outbreak has affected various provinces and regions in the PRC in which as a result of the lock-down and reallocation of resources by the PRC Government departments and regulatory authorities to tackle with the COVID-19 outbreak, there had been no material progress in the Group's application process on the PRC governmental side for transfer of the title and land use rights of the WTGL Land and property rights of the buildings constructed on the WTGL Land. As the transfer of the title and land use rights of the WTGL Land and property rights of the buildings constructed on the WTGL Land has taken more time than the parties have originally expected, as disclosed in the announcement of the Company dated 22 June 2020, the parties to the WTGL SP Agreement entered into the Second Supplemental Agreement to further extend the WTGL Sale Shares completion long stop date to 31 December 2020 (or such other date as Vendor B and Purchaser B may agree in writing) and further extend the third phase payment of the WTGL Consideration to at the WTGL Sale Shares completion; or on 31 December 2020 (or if such day is not a business day, the immediately preceding business day). Save for the extension of the WTGL Sale Shares completion long stop date and the date of the third phase payment of the WTGL Consideration, all terms and conditions in the original WTGL SP Agreement remain unchanged and in full force and effect.

As the date of the Third Supplemental Agreement, the WTGL split off has been completed but that progress of the transfer the title of the land use rights of the WTGL Land and property rights of the buildings constructed on the WTGL Land has taken much longer than the parties have expected due to the reasons as set out above. Based on the assessment of the management, as it is expected that the transfer of the land titles and property rights may happen within the second half of 2020. The Group has obtained the relevant tax concessions in connection with such transfer from the relevant tax authorities in August 2019 and to ensure that the parties involved could fully benefit from the tax concessions obtained, the equity of WTGL B should not be transferred within 12 months of transfer the title of the land use rights of the WTGL Land and property rights of the buildings constructed on the WTGL Land from the surviving WTGL to WTGL B. As such, the parties to the WTGL SP Agreement had agreed to the Variation of Terms to an extension of the WTGL Sale Shares completion long stop date to allow for the "non-transfer" period as aforementioned related to the tax concession so as to minimise the tax exposure of the parties involved.

In addition, under the original WTGL SP Agreement, the Group was granted by Vendor B the Rent-free Period which will only end upon the expiry of the 12th month following the completion of the WTGL Split-off and the titles of the land use rights of and property rights on the WTGL Land having been transferred to WTGL B. Under the parties' originally projected timeline of the Transaction Arrangements in November 2018, the Rent-free Period was expected to be ended on or around the end of 2019 or early 2020. Due to the reasons above, extensions of the WTGL Sale Shares completion long stop date and the third phase payment of the WTGL Consideration had to be made with the entering into of the First Supplemental Agreement and the Second Supplemental Agreement, and had resulted in an unexpected prolonged time gap between the completion of the WTGL Split-off (which took place on 29 May 2019) and the transfer of the titles of the land use rights of and property rights on the WTGL Land to WTGL B (which is still under process). Henceforth, the parties to the WTGL SP Agreement entered into the Third Supplemental Agreement in relation to the Variation of Terms so as to clarify the period for the Rent-free Period in which such period was set to commence on the date of the WTGL Land and Property Rights completion (i.e. 25 March 2019) and end on 31 December 2020 during where Vendor B and WTGL were entitled to use, free of charge, the WTGL Land and property on the WTGL Land. In addition, for the Group's interest, a definite date for the third phase payment of the WTGL Consideration, i.e. RMB12,000,000, was agreed in the Third Supplemental Agreement to be at the latest on 31 December 2021, regardless whether the WTGL Sale Shares Completion had taken place or not. All other terms, intention and intended objectives of the in Transaction Arrangements have never been changed or modified as a result of the entering into of the Third Supplemental Agreement.

On 24 December 2020, WTGL B as the lessor and WTGL as the lessee entered into the Lease Agreement for the lease of the Lease Properties for a term of two years commencing from 1 January 2021 to 31 December 2022 (both days inclusive).

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the year ended 31 December 2020, the Group did not make any significant investments.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

As at 31 December 2020, the Company had a total of 6,391,008,147 Shares in issue. The Company repurchased a total of 34,760,000 Shares on the Hong Kong Stock Exchange for a settlement costs of HK$4,982,000 during the year ended 31 December 2020. As at 31 December 2020, 34,760,000 of the repurchased Shares has been cancelled.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2020.

NEW SHARES ISSUED

As at 31 December 2020, the total number of issued shares of the Company was 6,391,008,147. A total of 15,000,000 new shares were issued during the year, pursuant to the service agreement of Mr. CHEN Dawei free from payment. Details of which were disclosed in the circular of the Company dated 8 June 2017.

EVENTS AFTER THE REPORTING YEAR

Saved as disclosed herein, there are no significant subsequent events after the reporting year.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

A copy of this announcement will be found on the Company's website (http://www.uni-bioscience.com) and the Stock Exchange's website (http://www.hkex.com.hk). The Annual Report 2020 of the Company will be made available on the respective websites of the Company and the Stock Exchange in due course.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTES	**2020** ***HK$'000***	2019 *HK$'000*
Revenue	3	**208,776**	209,449
Cost of sales		**(27,682)**	(27,932)
Gross profit		**181,094**	181,517
Other revenue	5	**16,323**	20,193
Other gains and losses		**(7,077)**	(1,248)
Selling and distribution costs		**(145,515)**	(149,338)
General and administrative expenses		**(35,830)**	(59,393)
Research and development costs		**(40,728)**	(42,702)
Equity-settled share-based payment expenses		**(10,890)**	(8,344)
Write-off of intangible assets		**(28,245)**	–
Gain on disposal of subsidiaries		**–**	18,777
Gain on derecognition of investment properties, right-of-use assets and property plant, and equipment		**–**	46,427
Finance costs		**(73)**	(749)
(Loss)/profit before taxation	6	**(70,941)**	5,140
Income tax expense	7	**(378)**	(2,681)
(Loss)/profit for the year		**(71,319)**	2,459
Other comprehensive income/(expense), net of tax			
Item that may be reclassified subsequently to profits or loss:			
Exchange differences arising on translation on foreign operations		**13,373**	(1,101)
Other comprehensive income/(expense) for the year		**13,373**	(1,101)
Total comprehensive (expenses)/income for the year		**(57,946)**	1,358
(Loss)/earnings per share *(HK cents)*			
Basic	8	**(1.11)**	0.04
Diluted		**(1.11)**	0.04

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2020

	NOTES	**2020**	2019
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**51,094**	42,320
Investment properties		**167**	9,300
Right-of-use assets		**11,221**	9,333
Intangible assets		**8,796**	33,900
Deposits paid for the acquisition of property, plant and equipment		**–**	1,926
Deposits paid for the acquisition of intangible assets		**–**	7,205
		71,278	103,984
Current assets			
Inventories		**16,518**	13,338
Trade and other receivables	10	**90,389**	78,536
Amount due from a related party		**13,489**	13,397
Time deposits		**–**	21,000
Financial assets at fair value through profit and loss		**36,031**	–
Bank balances and cash		**25,012**	66,198
		181,439	192,469
Current liabilities			
Trade and other payables	11	**43,504**	30,515
Contract liabilities		**13,182**	19,650
Income tax payable		**2,655**	3,317
Lease liabilities		**1,031**	1,117
		60,372	54,599
Net current assets		**121,067**	137,870
Total assets less current liabilities		**192,345**	241,854

	NOTES	**2020** ***HK$'000***	2019 *HK$'000*
Non-current liability			
Deferred tax liability		**827**	404
Lease liabilities		**2,107**	–
		2,934	404
Net assets		**189,411**	241,450
Capital and reserves			
Share capital	12	**63,910**	64,108
Reserves		**125,501**	177,342
Total equity		**189,411**	241,450

1. GENERAL

Uni-Bio Science Group Limited (the "**Company**") is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the annual report.

The functional currency of the Company is Hong Kong dollars ("**HK$**") and the functional currency of the PRC subsidiaries is Renminbi ("**RMB**"). The consolidated financial statements are presented in HK$ for the convenience of the financial statement users as the Company is listed in Hong Kong.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new or amended HKFRSs

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	Interest Rate Benchmark Reform
Amendments to HKFRS 16	COVID-19-Related Rent Concessions

None of these new or amended HKFRSs has a material impact on the Group's results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period except for the amendment to HKFRS 16, COVID-19-Related Rent Concessions. Impact on the applications of these amended HKFRSs are summarised below.

Amendment to HKFRS 16, COVID-19-Related Rent Concessions

HKFRS 16 was amended to provide a practical expedient to lessees in accounting for rent concessions arising as a result of the COVID-19 pandemic, by including an additional practical expedient in HKFRS 16 that permits entities to elect not to account for rent concessions as modifications. The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 pandemic and only if all of the following criteria are satisfied:

(i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(ii) the reduction in lease payments affects only payments originally due on or before 30 June 2021; and

(iii) there is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with this practical expedient, which means the lessee does not need to assess whether the rent concession meets the definition of lease modification. Lessees shall apply other requirements of HKFRS 16 in accounting for the rent concession.

Accounting for rent concessions as lease modifications would have resulted in the Group remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Group is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

The Group has elected to utilise the practical expedient for all rent concessions that meet the criteria. In accordance with the transitional provisions, the Group has applied the amendment retrospectively, and has not restated prior period figure. As the rent concessions have arisen during the current financial period, there is no retrospective adjustment to opening balance of retained earnings at 1 January 2020 on initial application of the amendment.

(b) New or amended HKFRSs that have been issued but are not yet effective

The following new or amended to HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and HK Interpretation 5 (2020), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[4]
Amendments to HKAS 16	Proceeds before Intended Use[2]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[2]
Amendments to HKFRS 3	Reference to the Conceptual Framework[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2[1]
Annual Improvements to HKFRSs 2018–2020	Amendments to HKFRS 9, Financial Instruments[2]
Annual Improvements to HKFRSs 2018–2020	Amendments to HKFRS 16, Leases[2]

1 Effective for annual periods beginning on or after 1 January 2021.

2 Effective for annual periods beginning on or after 1 January 2022.

3 Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022.

4 Effective for annual periods beginning on or after 1 January 2023.

5 The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

Amendments to HKAS 1 – Classification of Liabilities as Current or Non-current and HK Interpretation 5 (2020), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and explain that rights are in existence if covenants are complied with at the end of the reporting period. The amendments also introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

HK Interpretation 5 (2020) was revised as a consequence of the Amendments to HKAS 1 issued in August 2020. The revision to HK Interpretation 5 (2020) updates the wordings in the interpretation to align with the Amendments to HKAS 1 with no change in conclusion and do not change the existing requirements.

The directors of the Company do not anticipate that the application of the amendments and revision in the future will have an impact on the consolidated financial statements.

Amendments to HKAS 16, Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the proceeds from selling such items, and the cost of producing those items, is recognised in profit or loss.

The directors of the Company is currently assessing the impact that the application of the amendments will have on the Group's consolidated financial statements. The directors of the Company anticipate that the application of the amendments will likely impact on the Group's accounting policies in respect of the construction of assets, as certain proceeds of selling items produced whilst bringing assets under construction are currently deducted from the cost of the asset.

Amendments to HKAS 37, Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (e.g. direct labour and materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The directors of the Company is currently assessing the impact that the application of the amendments will have on the Group's consolidated financial statements. The directors of the Company anticipate that the application of the amendments will likely impact on the Group's accounting policies in respect of the determination of when contracts are onerous, and the measurement of provision for onerous contracts recognised.

Amendments to HKFRS 3, Reference to the Conceptual Framework

The amendments update HKFRS 3 so that it refers to the revised Conceptual Framework for Financial Reporting 2018 instead of the version issued in 2010. The amendments add to HKFRS 3 a requirement that, for obligations within the scope of HKAS 37, an acquirer applies HKAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of HK(IFRIC) – Interpretation 21 Levies, the acquirer applies HK(IFRIC) – Interpretation 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. When the transaction with an associate or joint venture that is accounted for using the equity method, any gains or losses resulting from the loss of control of a subsidiary that does not contain a business are recognised in the profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, any gains or losses resulting from the remeasurement of retained interest in any former subsidiary (that has become an associate or a joint venture) to fair value are recognised in the profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The directors of the Company anticipate that the application of these amendments may have an impact on the consolidated financial statements in future periods should such transaction arise.

Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16, Interest Rate Benchmark Reform – Phase 2

The amendments address issues that might affect financial reporting when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the interest rate benchmark reform (the "**Reform**"). The amendments complement those issued in November 2019 and relate to (a) changes to contractual cash flows in which an entity will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the Reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate; (b) hedge accounting in which an entity will not have to discontinue its hedge accounting solely because it makes changes required by the Reform, if the hedge meets other hedge accounting criteria; and (c) disclosures in which an entity will be required to disclose information about new risks arising from the Reform and how it manages the transition to alternative benchmark rates.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

Annual Improvements to HKFRSs 2018–2020 – Amendments to HKFRS 9, Financial Instruments

The annual improvements amends a number of standards, including HKFRS 9, Financial Instruments, which clarify the fees included in the '10 per cent' test in paragraph B3.3.6 of HKFRS 9 in assessing whether to derecognise a financial liability, explaining that only fees paid or received between the entity and the lender, including fees paid or received by either the entity or the lender on other's behalf are included.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

Annual Improvements to HKFRSs 2018–2020 – Amendments to HKFRS 16, Leases

The annual improvements amends a number of standards, including HKFRS 16, Leases, which amend Illustrative Example 13 to remove the illustration of reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the consolidated financial statements.

3. REVENUE

Revenue is arising from sale of chemical and biological pharmaceutical products and is recognised at point in time when control of the goods has been transferred and the goods have been delivered to the customers' specific locations. Following delivery, the customers bear the risks of obsolescence and loss in relation to the goods without refund policy. The normal credit term is 90 days (2019: 90 days) upon delivery.

Advance and deposits received from the customers are recognised as a contract liabilities until the goods have been delivered to the customers.

The sales contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

4. SEGMENT INFORMATION

Information reported to the board of directors of the Company, being the chief operating decision maker ("**CODM**"), for the purpose of allocating resources to segments and assessing their performance are organised on the basis of the revenue streams. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group's operating and reportable segments are analysed as follows:

(a)	Chemical pharmaceutical products	–	manufacture and sale of chemical pharmaceutical products
(b)	Biological pharmaceutical products	–	manufacture and sale of biological pharmaceutical products
(c)	Pipeline products	–	research and development of pharmaceutical products

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment.

For the year ended 31 December 2020

	Chemical pharmaceutical products *HK$'000*	**Biological pharmaceutical products** *HK$'000*	**Pipeline products** *HK$'000*	**Consolidated** *HK$'000*
Segment revenue				
External sales	**40,305**	**168,471**	**–**	**208,776**
Result				
Segment (loss)/profit	**(7,346)**	**16,897**	**(61,755)**	**(54,204)**
Other income (excluding royalty income)				**4,682**
Equity-settled share based payment expenses				**(10,890)**
Unallocated administration expenses				**(14,965)**
Finance costs				**(73)**
Change in fair value of investment properties				**2,509**
Loss before income tax expense				**(70,941)**

For the year ended 31 December 2019

	Chemical pharmaceutical products *HK$'000*	Biological pharmaceutical products *HK$'000*	Pipeline products *HK$'000*	Consolidated *HK$'000*
Segment revenue				
External sales	51,071	158,378	–	209,449
Result				
Segment (loss)/profit	(20,109)	15,152	(39,165)	(44,122)
Other income (excluding royalty income)				16,981
Equity-settled share based payment expenses				(8,344)
Unallocated administration expenses				(23,830)
Finance costs				(749)
Gain on disposal of investment in subsidiaries				18,777
Gain on disposal of investment property and right-of-use assets and property, plant and equipment				46,427
Loss before income tax expense				5,140

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 2. Segment result represents the results of each segment without allocation of other income, change in fair value of investment properties, equity-settled share based payment expenses, unallocated administration expenses and finance costs. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

5. OTHER REVENUE

	2020 ***HK$'000***	2019 *HK$'000*
Interest on bank deposits	**498**	813
Rental income	**869**	1,674
Royalty income	**11,641**	3,212
Government grants *(note)*	**1,227**	12,546
Service income	**919**	1,269
Sundry income	**424**	679
COVID-19 related rent concessions	**745**	–
	16,323	20,193

Note: Government grants mainly represent grants received from the PRC local government authorities as subsidies to the Group for research and development expenditures already incurred and the conditions have been fulfilled upon the grant.

The Group applied for government support programs introduced in response to the COVID-19 pandemic. Included in profit or loss is HK$160,500 of government grants obtained relating to supporting the payroll of the Group's employees from the Hong Kong Government. The Group has elected to present this government grant in government grant above, rather than reducing the related expense. The Group had to commit to spending the assistance on payroll expenses, and not to reduce employee head count below prescribed levels for a specified period of time. The Group does not have any unfulfilled obligations relating to this program.

6. (LOSS)/PROFIT BEFORE TAXATION

	2020	2019
	HK$'000	*HK$'000*
(Loss)/profit before taxation is arrived at after charging:		
Staff costs (including directors' emoluments) Salaries, wages and other benefit	**36,426**	45,230
Retirement benefit scheme contribution	**3,785**	7,400
Equity-settled share-based payments	**9,475**	8,093
	49,686	60,723
Equity-settled share-based payments to consultants	**1,415**	251
Amortisation of intangible assets	**5,973**	6,016
Depreciation of property, plant and equipment	**12,788**	12,609
Depreciation of right-of-use assets	**2,159**	2,862
Less: Amortisation and depreciation included in research and development costs	**(10,662)**	(12,319)
	10,258	9,168
Auditor's remuneration	**1,442**	2,619
Cost of inventories recognised as an expense	**27,682**	27,932
Research and development costs	**49,072**	42,702
Less: Capitalisation on intangible assets	**(8,344)**	–
	40,728	42,702
Property rental income less outgoing	**869**	1,674

7. INCOME TAX EXPENSE

	2020	2019
	HK$'000	*HK$'000*
PRC Enterprise Income Tax ("**EIT**")		
– Current year	**1,675**	3,467
– Under-provision in prior years	**(1,673)**	36
	2	3,503
Deferred taxation		
– Current year	**376**	(822)
	378	2,681

No provision for Hong Kong profits tax has been made since the entities operating in Hong Kong had no assessable profit for the both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Beijing Genetech Pharmaceutical Co., Limited and Shenzhen Watsin Genetech Pharmaceutical Co., Limited, wholly owned subsidiaries of the Company, were approved as "high-new technology enterprise" and were eligible to enjoy a preferential enterprise income tax rate of 15% (2019: 15%) for the years ended 31 December 2020 and 2019.

8. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted earnings (loss) per share attributable to owners of the Company is based on the following data:

	2020	2019
	HK$'000	*HK$'000*
(Loss)/earnings		
(Loss)/profit for the year attributable to owners of the Company for the purpose of basic and diluted (loss)/earnings per share	**(71,319)**	2,459

	2020	2019
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	**6,408,133**	6,278,443
Effect of diluted potential ordinary shares: Share options	**–**	1,798
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	**6,408,133**	6,280,241

For the year ended 31 December 2020, no adjustment has been made to basic loss per share amounts presented in respect of a dilution as the impact of the share options outstanding would decrease basic loss per share.

For the year ended 31 December 2019, the computation of diluted earnings per share does not assume the conversion of warrants and certain share options as the exercise price of these warrants and share options are higher than the average market price of the Company.

9. DIVIDEND

No dividend was paid, declared or proposed during 2020, nor has any dividend been proposed since the end of the reporting period (2019: Nil).

10. TRADE AND OTHER RECEIVABLES

	2020	2019
	HK$'000	*HK$'000*
Trade receivables	**53,925**	52,929
Less: Allowance for credit losses	**(3,375)**	(2,937)
	50,550	49,992
Bills receivable	**24,217**	21,088
Deposits, prepayments and other receivables	**15,622**	7,456
	90,389	78,536

The following is an ageing analysis of trade receivables based on the invoice dates, as at the end of the reporting period:

	2020	2019
	HK$'000	*HK$'000*
0–90 days	**44,984**	36,766
91–120 days	**5,131**	6,859
121–180 days	**2,349**	5,088
181–360 days	**627**	2,303
Over 360 days	**834**	1,913
	53,925	52,929
Less: Loss allowance	**(3,375)**	(2,937)
	50,550	49,992

11. TRADE AND OTHER PAYABLES

		2020	2019
	Notes	***HK$'000***	*HK$'000*
Trade payables	(i) & (ii)	**3,832**	1,802
Other payables		**7,930**	5,000
Accruals		**31,742**	23,713
		43,504	30,515

Notes:

(i) The average credit period on purchases of goods is 120 days (2019: 120 days). The Group has in place financial risk management policies to ensure that all payables are settled within the credit time frame.

(ii) An aged analysis of the trade payables at the end of the reporting period based on transaction date is as follows:

	2020	2019
	HK$'000	*HK$'000*
0–30 days	**2,393**	1,098
31–60 days	**182**	80
61–90 days	**112**	65
Over 90 days	**1,145**	559
	3,832	1,802

12. SHARE CAPITAL

	Number of shares	Amount *HK$'000*
Ordinary share of HK$0.01 each		
Authorised:		
At 1 January 2019, 31 December 2019 and 31 December 2020	500,000,000,000	5,000,000
Issued and fully paid:		
At 1 January 2019	6,179,968,147	61,800
Issue of ordinary shares in relation to award of new shares	15,000,000	150
Private placement (*Note (i)*)	215,800,000	2,158
At 31 December 2019 and 1 January 2020	6,410,768,147	64,108
Issue of ordinary shares in relation to award of new shares	15,000,000	150
Repurchase of shares *(Note (ii))*	(34,760,000)	(348)
At 31 December 2020	6,391,008,147	63,910

Notes:

(i) On 22 July 2019, arrangements were made for a private placement to an independent private investor of 215,800,000 ordinary shares of HK$0.01 each, at a price of HK$0.139 per ordinary share. The proceeds were used to provide additional working capital for the Company.

(ii) During the year ended 31 December 2020, the Company paid in aggregate HK$4,982,000 to buy back 34,760,000 ordinary shares of HK$0.01 each from the Stock Exchange from 4 April 2020 to 29 September 2020, at the highest price of HK$0.16 and the lowest price of HK$0.12 per share, and the excess paid over the par value of the shares was debited to the Company's share premium account.

(iii) For the years ended 31 December 2020 and 2019, all shares issued during the year rank pari passu with the existing shares in all respects.

13. EVENTS AFTER THE REPORTING PERIOD

Pursuant to the Company's announcement on 24 December 2020, a connected person of the Company (as the lessor) and the Company (as the lessee) entered into the Lease Agreement for the lease of the Lease Properties for a term of two years commencing from 1 January 2021 to 31 December 2022 (both days inclusive). In accordance with HKFRS 16, the Group is required to recognise the Lease Payment as right-of-use assets. As a result, the entry into of the Lease Agreement and the lease contemplated thereunder will be regarded as acquisitions of assets by the Group pursuant to the Listing Rules.

The transaction contemplated under the Lease Agreement will be recognised as the acquisition of right-of-use assets which will constitute a one-off connected transaction of the Company under Chapter 14A of the Listing Rules.

By order of the board of directors of
Uni-Bio Science Group Limited
Kingsley Leung
Chairman

Hong Kong, 29 March 2021

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Kingsley Leung (Chairman), Mr. Chen Dawei (Vice-Chairman) and Mr. Zhao Zhi Gang; one non-executive Director, Mr. Yau Kwok Wing Tony; and three independent non-executive Directors, namely, Mr. Chow Kai Ming, Mr. Ren Qimin and Mr. Ma Qingshan.