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聯康集團

Uni-Bio Science

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)

**CONNECTED TRANSACTION —
LEASE AGREEMENT**

The Board announces that on 23 December 2022, WTGL, an indirect wholly-owned subsidiary of the Company, entered into the Lease Agreement with WTGL B in respect of the Lease of the Premises for a term of two years commencing on 1 January 2023 and ending on 31 December 2024 (both days inclusive) for the Group's certain production facilities.

The transaction contemplated under the Lease Agreement does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, but constitutes a connected transaction of the Company for the purpose of Chapter 14A of the Listing Rules. Since the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the transaction contemplated under the Lease Agreement is less than 5%, the transaction contemplated under the Lease Agreement is subject to the announcement and reporting requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the Announcements in connection with the Existing Lease, which will expire on 31 December 2022. The Board announces that on 23 December 2022, WTGL, an indirect wholly-owned subsidiary of the Company, entered into the Lease Agreement with WTGL B in respect of the Lease of the Premises for a term of two years commencing on 1 January 2023 and ending on 31 December 2024 (both days inclusive). Details of the principal terms of the Lease Agreement are set out below.

THE LEASE AGREEMENT

- Date : 23 December 2022
- Parties : (1) WTGL B as lessor
(2) WTGL as lessee
- Premises : The entire 1st floor, 2nd floor, 4th floor and the rooftop and part of the 3rd floor of the building situated at the WTGL Land, with a total gross floor area of 5,685.47 sq. m.
- Use : For production workshop, storage and office use.
- Term : Commencing on 1 January 2023 and ending on 31 December 2024 (both days inclusive).

Pursuant to the Lease Agreement, after the expiration of the term, WTGL shall enjoy a priority right to lease the Premises and that WTGL shall notify WTGL B in writing one month prior to the expiry of the Lease.

- Total aggregated value of consideration payment : Approximately RMB5.46 million (approximately HK\$6.11 million) in aggregate.
- WTGL is responsible for the water and electricity fees and other amenities incurred during the term.

The rent was determined after arm's length negotiations between WTGL B and WTGL, taking into consideration of the prevailing market price of comparable premises in the vicinity of the Premises.

The payment of the rent will be funded by the internal resources of the Group.

RIGHT-OF-USE ASSETS

The value of the right-of-use assets recognised by the Company under the Lease is amounted to approximately HK\$5.76 million, calculated with reference to the present value of the aggregated lease payments to be made under the Lease in accordance with HKFRS 16 *Leases*.

INFORMATION OF THE PARTIES

WTGL

WTGL is a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company principally engaged in manufacturing and selling of biological products.

WTGL B

WTGL B is a limited liability company established in the PRC and separated from WTGL pursuant to the WTGL Split-off. Pursuant to the transactions contemplated under the WTGL Disposal, the titles of the land use rights of the WTGL Land and property rights of the buildings constructed on the WTGL Land would be transferred to WTGL B and upon such transfer, all the equity interest in WTGL B would be transferred to Purchaser B. Purchaser B is a company incorporated in BVI with limited liability which is principally engaged in investment holding.

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, as at the date of this announcement, the ultimate beneficial owners of Purchaser B are (i) as to 60% by Madam Judy Lau, the mother of Mr. Leung, an executive Director and Chairman of the Board; (ii) as to 10% by Mr. Chen Dawei, an executive Director; (iii) as to 15% by an associate of Futec Financial Limited, a substantial shareholder of the Company; and (iv) as to the remaining 15% by two individuals each of whom is an Independent Third Party. Accordingly, by virtue of the relationship between the parties as elaborated above, each of WTGL B and Purchaser B is a connected person of the Company under the Listing Rules.

REASONS FOR AND BENEFITS OF THE LEASE

The Group is a biopharmaceutical company focusing on diabetes and related metabolic disorders, dermatology and ophthalmology. From research and development, 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.

Reference is made to the circulars of the Company dated 8 February 2019 and 15 September 2020 and the announcements of the Company dated 25 February 2019, 25 March 2019, 31 December 2019, 22 June 2020, 11 August 2020 and 21 December 2021 in relation to, among other things, the WTGL Disposal. As at the date of this announcement, the WTGL Land and Property Rights had been transferred to Purchaser B but the transfer of the title of the WTGL Land and property rights of the buildings constructed on the WTGL Land to WTGL B has yet to take place. Nonetheless, as WTGL B is the ultimate beneficial owner of the title of the WTGL Land and property rights of the buildings constructed on the WTGL Land and Purchaser B is the ultimate beneficial owner of the equity interests of WTGL B, WTGL B shall be the lessor under the lease pending completion of the transfer of the title of the WTGL Land and property rights of the buildings constructed on the WTGL Land.

As set out in the Announcements, the Group occupied the Premises for use as office of WTGL and to house WTGL's production facilities and entered into the Existing Lease to meet its operation needs, meanwhile the Group was to identify suitable premises for relocation. In this regard, the Group has identified new land and premises located in Dongguan and the Group is in the process of the setting up of the required facilities, which according to the management's estimation, is expected to be operational in late 2024/2025. As the Existing Lease will expire on 31 December 2022, the entering into of the Lease Agreement would allow WTGL to continue its production and operating activities at the current location and save time and costs pending relocation upon the completion of the new premises.

The terms of the Lease were determined after arm's length negotiations between the parties and with reference to the prevailing market price of comparable premises in the vicinity of the Premises. The Board (excluding the Interested Directors but including all independent non-executive Directors) considers the transactions contemplated under the Lease Agreement are in the interests of the Company and the Shareholders as a whole and the terms of the Lease Agreement are on normal commercial terms and fair and reasonable so far as the independent Shareholders are concerned.

IMPLICATIONS UNDER THE LISTING RULES

The transaction contemplated under the Lease Agreement does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

By virtue of the relationship between the parties as elaborated above, WTGL B is a connected person of the Company and accordingly the transaction contemplated under the Lease Agreement constitutes a connected transaction of the Company for the purpose of Chapter 14A of the Listing Rules. Since the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the transaction contemplated under the Lease Agreement is less than 5%, the transaction contemplated under the Lease Agreement is subject to the announcement and reporting requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Directors confirmed that, save for the Interested Directors, none of them has a material interest in the Lease Agreement and the transactions contemplated thereunder. As such, the Interested Directors had abstained from voting on the Board resolution on proposing the Lease Agreement and the transactions contemplated thereunder.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Announcements”	the announcements of the Company dated 24 December 2020 and 31 December 2020 in relation to the Existing Lease
“associate”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors of the Company
“Company”	Uni-Bio Science Group Limited, a company incorporated in the Cayman Islands with limited liability whose Shares are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company

“Existing Lease”	the lease of the Premises under the lease agreement dated 24 December 2020 entered into between WTGL and WTGL B pursuant to which WTGL agreed to lease the Premises from the lessor for a term of two years commencing from 1 January 2021 to 31 December 2022 (both days inclusive)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a third party independent of the Company and the connected persons of the Company
“Interested Directors”	Mr. Leung, Mr. Chen Dawei and Mr. Yau Kwok Wing Tony
“Lease”	the lease of the Premises pursuant to the Lease Agreement
“Lease Agreement”	the lease agreement dated 23 December 2022 entered into between WTGL and WTGL B in respect of the Lease
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Leung”	Mr. Kingsley Leung, an executive Director and the Chairman of the Board
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Premises”	the entire 1st floor, 2nd floor, 4th floor and the rooftop and part of the 3rd floor of the building situated at the WTGL Land, with a total gross floor area of 5,685.47 sq. m.
“Purchaser B”	Greater Bay Capital Limited, a company incorporated in BVI with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“sq. m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“WTGL”	深圳市華生元基因工程發展有限公司 (Shenzhen Watsin Genetech Limited*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“WTGL B”	深圳市同創生物工程股份有限公司 (Shenzhen Tongchuang Biological Engineering Co., Ltd.*) a limited liability company established in the PRC and separated from WTGL pursuant to the WTGL Split-off
“WTGL Disposal”	the disposal of the WTGL Land and Property Rights and the WTGL Sale Shares by the Group to Purchaser B pursuant to the WTGL SP Agreement, further particulars of which are set out in the circulars of the Company dated 8 February 2019 and 15 September 2020 and the announcements of the Company dated 25 February 2019, 25 March 2019, 31 December 2019, 22 June 2020, 11 August 2020 and 21 December 2021
“WTGL Land”	a land parcel located at No.7, Keji Middle 1st Road, Nanshan district, Shenzhen, the PRC registered under the name of WTGL as at the date of this announcement
“WTGL Land and Property Rights”	all the economic rights relating to the land use rights of the WTGL Land and property rights of the buildings constructed on the WTGL Land
“WTGL Split-off”	the split-off (分立) undertaken by WTGL whereby the assets and liabilities will be taken up by two entities, namely, the surviving WTGL and WTGL B separately, which was completed on 29 May 2019

Unless the context requires otherwise, the following exchange rates have been used for translation for illustration purpose only: HK\$:RMB = 1:0.8934.

On behalf of the Board
Uni-Bio Science Group Limited
Kingsley Leung
Chairman

Hong Kong, 23 December 2022

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.

* For identification purpose only