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 2022

HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER 2022

- For the year ended 31 December 2022 (the "**Year**"), the Group achieved a record high turnover of HK$440.3 million, representing a noticeable increase of 24.6% year-on-year ("**YoY**").
- During the Year, the Group made a remarkable turnaround, posting a profit of HK$38.5 million with a significant increase of 296.6% YoY, marking an important milestone for a research-oriented biopharmaceutical company.
- Sales of Pinup® and Boshutai® performed exceptionally well, registered an increase of 51.2% and 292.5% YoY respectively.

* *For identification purposes only*

- The Group Acarbose Tablets (Boshutai®) was successfully awarded the drug alliance procurement bid for the second and fourth batches of medicines for two years in the 13-provinces Alliance Procurement.

- The Group's Bogutai® (teriparatide injection) New Drug Application ("**NDA**") had been accepted by the China National Medical Products Administration ("**NMPA**") and completed the China Center for Food and Drug Inspections ("**CFDI**") registration site verification.

- The Group has continuously improved EGF process technology and increased the production capacity of the drug substance to 4 times the original amount, further enhancing production efficiency, reducing costs, while opening up new formulation opportunities.

- The formulation development of oral form Uni-GLP-1 was completed, and the results showed that its bioavailability was superior to the positive control oral semaglutide.

- The Group had completed the development of fibronectin raw material to achieve high yield, activity and stability. It will be the first advanced skincare raw material to be ready for launch.

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 2022 as follows:

KEY FINANCIAL HIGHLIGHTS

For the year ended 31 December

	2022	2021
Revenue *(HK$'000)*	**440,316**	353,405
Adjusted EBITDA *(HK$'000)*	**65,844**	13,666
Gross profit margin *(%)*	**76.1%**	78.4%
R&D costs to revenue *(%)*	**8.1%**	14.2%
As at 31 December		
Current ratio *(times)*	**2.22**	2.18
Gearing ratio *(%)*	**5.75%**	0.0%
Total assets turnover *(%)*	**150.6%**	132.1%

FINANCIAL FIGURES BASED ON REPORTABLE SEGMENT FOR THE YEAR ENDED 31 DECEMBER 2022 AND 2021

	Year ended 31 December		
	2022	2021	Change
	HK$'000	*HK$'000*	
Revenue	**440,316**	353,405	24.6%
Cost of sales	**(105,433)**	(76,398)	38.0%
Gross profit	**334,883**	277,007	20.9%
Other revenue	**8,648**	5,935	45.7%
Other gains and losses	**(2,929)**	134	-2,285.8%
Selling and distribution costs	**(211,273)**	(185,671)	13.8%
General and administrative expenses	**(47,035)**	(47,177)	-0.3%
Research and development expenses	**(35,781)**	(50,219)	-28.8%
Provision for litigation	**(2,307)**	(15,610)	-85.2%
Equity-settled share-based payment expenses	**(543)**	(3,934)	-86.2%
Finance costs	**(376)**	(477)	-21.2%
Profit/(loss) before taxation	**43,287**	(20,012)	-316.3%
Income tax (expense)/credit	**(4,775)**	421	-1,234.2%
Profit/(loss) for the year	**38,512**	(19,591)	-296.6%

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2022, the resurgence of the COVID-19 pandemic in China resulted in strict regulatory measures, such as social distancing mandates, quarantines, and local lockdowns. However, by the end of the year, China started to ease these measures, with most of them lifted in December. As the COVID-19 pandemic begins to fade, China is expected to return to a more normal pace of economic activity and growth. The end of the pandemic also presents an opportunity for the pharmaceutical and medical aesthetics markets to continue their growth trajectory.

Over the years, China's National Medical Products Administration (NMPA) had carried out a series of regulatory reforms aimed at accelerating the clinical development and regulatory review of China's innovative drugs. These reforms have streamlined the approval process for new therapies, reduced the cost of domestic drug development, and made the Chinese market more appealing to medical innovation. China has also been encouraging the research and development ("**R&D**") and upgrading of the high-end generic drug market to increase the industry's overall quality and competitiveness in the international market. Moreover, the growing beauty consciousness among individuals and the steady increase in consumer disposable income are contributing to the boom of the aesthetics medical market in China.

The promising outlook for the Chinese pharmaceutical and medical aesthetics market brings significant opportunities for Uni-Bio Science Group. The Group has taken a proactive approach by establishing a state-of-the-art "Biopeptides Innovative Medicine and Advanced Technology R&D Center" in Beijing. The center combines cutting-edge bioinformatics, genetic engineering, and oral formulation techniques to develop the biosynthetic polypeptide drug industry. Additionally, the Group has recently launched a new research center in Hong Kong, which focuses on conducting research in stem cell exosomes, synthetic biology, nanomaterials, and protein engineering. By leveraging these two new R&D centers, the Group is poised to expand its product line, reshape its R&D system, open up new opportunities, and drive future strategic growth.

BUSINESS REVIEW

Uni-Bio Science — A Fully Integrated Biopharmaceutical Company

Uni-Bio Science Group is a biopharmaceutical company focusing on endocrinology, dermatology and ophthalmology. From 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 2022, the group has launched four products into the market, namely GeneTime®, GeneSoft®, Pinup® and Boshutai®.

KEY ACCOMPLISHMENTS IN 2022

A Profitable Research-oriented Company with Record-breaking Revenue

In 2022, despite the spread of the COVID-19 pandemic and the backdrop of an increasing poor macroeconomic outlook, the Group successfully navigated many challenges. While maintaining strong sales growth, the Group steadfastly advanced the innovation and R&D progress of different product pipelines. For 2022, the Group achieved a record high in revenue, with a notable increase of 24.6% year-on-year ("**YoY**"). The sales of Pinup® and Boshutai® performed exceptionally well, thanks to the Group's efforts to increase production capacity and the gradual unlocking of its diverse distribution channels. Even more remarkably, the Group's diligent cost control efforts resulted in a profit for the year of HK$38.5 million, marking an important milestone for a research-oriented biopharmaceutical company.

Boosting EGF Production with Enhanced Technological Capability

The Group's EGF products have long been highly recognized by the market. To keep up with the growing demand for these products, the Group has continuously improved EGF process technology and optimized the production capacity of the drug substance, and the production capacity of each batch has been increased to 4 times the original amount. This increase in capacity not only improved higher production efficiency and reduced costs, but it also opened up new formulation opportunities such as, gel form, film form, VSD foam dressings, and more, further diversifying the EGF production line and strengthening its competitive advantage in the market.

Bogutai® NDA Accepted by NMPA and Ready to Enter the Osteoporosis Market

In June 2022, the marketing application of Bogutai® (teriparatide injection) was accepted by the China National Medical Products Administration (NMPA). By the end of December 2022, the Group also completed the China Center for Food and Drug Inspections ("**CFDI**") registration site verification, which included pharmacy development site verification, manufacturing site (GMP compliance) verification, and clinical site verification. Bogutai® will be the Group's fifth marketed drug and the first domestically manufactured PTH Liquid in China to use a disposable injection pen.

Developed in collaboration with Swiss self-care company Ypsomed, Bogutai® will offer osteoporosis patients a more attractive drug option and represent a major milestone for the Group in the orthopedic disease space. The Group is confident that Bogutai® will be a future blockbuster for the company, thanks to its strong cost advantage, superior therapeutic effect, and convenient administration method.

Boshutai® Won Bid for 13-Provinces Alliance Procurement

Boshutai® is the Group's fourth marketed drug with successful commercialization. In June 2022, Boshutai®, the Group's Acarbose Tablets, was successfully awarded the drug alliance procurement bid for the second and fourth batches of medicines for two years in the 13-provinces Alliance Procurement of Henan, Shanxi, Mongolia, Hubei, Hunan, Guangxi, Hainan, Chongqing, Guizhou, Qinghai, Ningxia, and New Corps. This win represented a significant milestone for the Group and provided an opportunity to quickly expand its in-hospital market share. To meet the growing demand for Boshutai®, the Group had already expanded its production capacity at its strategic partner's Suzhou production site to ensure supply stability.

R&D and Pipeline Progress

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

Patented Biopharmaceutical Products

Products/ Components	Indication	Discovery	Pre-clinical	Phase 1	Phase 2	Phase 3	BE	NDA	Marketed
Metabolic									
Uni-PTH (liquid)	Osteoporosis	✓	✓	CTE	CTE	CTE	✓	✓	
Uni-PTH (oral)	Osteoporosis	✓	✓						
Uni-GLP-1 (liquid)	Type 2 Diabetes	✓	✓	CTE	CTE	✓			
Uni-GLP-1 (liquid)	Obesity	✓	✓						
Uni-GLP-1 (oral)	Type 2 Diabetes	✓	✓						
Ophthalmology									
UB101	AMD	✓							
UB102	AMD	✓							
Wound Healing									
UB104	Wound Healing	✓							

Note: BE, bioequivalence, 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 analogues in the world and has very limited number of direct competitors in the Chinese market.

The 2nd Generation Uni-PTH (pre-filled injection pen), named Bogutai®, is the first domestic disposable liquid injection pen in China, with unparalleled dosing accuracy and minimized injection pain. It has been proven that it is effective to increase bone density, reduce fracture incidence and it is more convenient and safer for patient to use. During the Year, New Drug Application ("**NDA**") for Bogutai® had been submitted, the Group also successfully completed CFDI registration site verification, including pharmacy development site, manufacturing site (GMP compliance), and clinical site verification. The Group expected Bogutai® to be approved for marketing in 2023. Besides, the development of the 3rd Generation oral form Uni-PTH is under preparation for data collecting.

Uni-GLP-1

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 cannot be easily replicated, thus enjoying greater advantages in pricing, price support (as it is not included in the national volume-based procurement) and higher entry barrier compared with chemically synthesized Exenatide. The product also enjoys the benefits of a stable active pharmaceutical ingredients supply as no external procurement is required. With its clinical, cost and pricing advantages, Uni-GLP-1 has the potential of becoming a leading product in 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.

In the past two years, the Group had collaborated with universities to conduct Obesity indications and oral GLP-1 formulation product R&D. During the collaboration, we were surprised to find that, the results of long-term administration of the drug on the weight of DIO mice showed that the drug achieved the equivalent weight loss effect at a dose many times lower than that of liraglutide. In addition, no serious gastrointestinal reaction (vomiting) was found in DIO mice at all stages of the experiment, and the weight loss effect did not show a drastic recovery after the cessation of administration. Meanwhile, the serum parameters indicated that the product had both weight loss and liver protection effects. The oral GLP-1 developed by the research team breaks through the technical barriers of GLP-1RA oral administration, upgrades the oral dosage form with better patient compliance, and its bioavailability is more than 2 times better than the clinical bioavailability of semaglutide, the marketed oral GLP-1 product found abroad. Based on the pharmacokinetic data analysis in rats, this product is expected to provide more effective and better compliance options for patients who currently cannot achieve target glucose levels through oral hypoglycemic chemical agents, which is worthy of further research.

During the Year, the formulation development of oral form Uni-GLP-1 was completed, and the results showed that its bioavailability was superior to the positive control oral semaglutide. Currently, formal animal studies in beagle dogs are under preparation to further validate the bioavailability and pharmacokinetics of the oral form Uni-GLP-1 in animals. The clinical work of Uni-GLP-1 injection pen is on schedule for related pharmacological studies.

DOTBODY™ PROJECTS

UB101 (Bivalent nanobody) is used to treat wet age-related macular degeneration (wet AMD) and works by stopping abnormal blood vessel growth and leakage in the eye(s) that may cause vision loss. The current standard of care for the treatment of wet AMD is administered by intravitreal injection, which brings great inconvenience to patients. Currently, the Group is working on innovative technology to overcome the limitations of intravitreal injection treatment and in preparation for preclinical in vitro and in vivo test.

UB102 (Bispecific nanobody) is capable of blocking two proangiogenic receptors and a combined blockade of them has a greater inhibitory efficacy compared with inhibition of either factor alone. It was designed for the treatment of ocular diseases including wet AMD. Compared to UB101, UB102 can better relieve the symptom. VABYSMO (Faricimab, Roche) is used to treat the following eye disorders: neovascular (wet) age-related macular degeneration (nAMD) and diabetic macular oedema (DMO). Wet AMD can require treatment with eye injections every one to two months by other drugs. People receiving Vabysmo could be treated every three to four months, which significantly reduces the number of injections, thus reducing the risk of complications caused by eye injections. Vabysmo can block two disease pathways linked to several vision-threatening retinal conditions by neutralizing angiopoietin-2 (Ang-2) and vascular endothelial growth factor-A (VEGF-A). And these two targets are the same as our UB102. We expect similar superiority for UB102. The Group is developing the bispecific nanobody based on our technology platform as planned. Currently, our preliminary in vitro studies show that UB102 has a superior affinity for VEGF and Ang2, which is expected to achieve good efficacy and longer treatment intervals.

According to the Frost & Sullivan Report, the prevalence of wet AMD in China was 3.4 million in 2017 and is expected to reach 4.0 million in 2022 and 4.8 million in 2030. The Group believes that there is a significant commercial demand for the treatment of wet AMD.

EGF-Nanofibers wound dressing

UB104 (EGF-Nanofibers wound dressing) possesses ideal wound dressing characteristics. Slow-release growth factors promote wound healing, and Nanofiber has excellent breathability and antibacterial properties. As an advanced wound dressing, EGF-Nanofibers can be widely used in wound healing, especially for chronic wounds, and has an up-and-coming market. According to Fortune Business Insights, the global wound care market size is expected to gain momentum by reaching USD24.01 billion by 2028 while exhibiting a CAGR of 6.1% between 2021 and 2028. In China, the change of population structure, the improvement of medical system and the increase of income level provide an upside for the market of medical dressing. From 2014 to 2018, the market size of China grew from RMB5.52 billion to RMB13.62 billion, with a compound annual growth rate of 25.3%. It is predicted that the market size of China dressings industry will maintain a CAGR of 11.1% between 2019 and 2023, and the market size will reach 23.45 billion RMB in 2023.

Advanced Skincare Raw Materials

Efficacy skin care is increasingly popular. Synthetic biology is becoming an essential research direction with disruptive potential in the cosmetical space. The new skincare raw materials under research in the new laboratory of the Group include fibronectin, beauty peptides, collagen, microecological skincare product, and stem cell exosome product. The materials are safe in composition, excellent in efficacy, and widely used. Currently, the Group effectively leverages the research ecosystem of Hong Kong Science Park, Uni-Bio Science Group's bioprocessing platform and Global Cosmetics' extensive experience in the field of cosmetics to commercialize these products quickly.

Products/Components	Discovery	Production Development	Formulation Development	Marketed
Fibronectin	✓	✓	✓	
Beauty peptides	✓	✓		
Collagen	✓	✓		
Microecological skin-care product	✓			
Stem cell exosome product	✓			

Fibronectin

Fibronectin is a multifunctional extracellular matrix glycoprotein that is widely involved in cell migration, adhesion, proliferation, hemostasis, and tissue repair. In the field of skin care products, fibronectin is safe and effective for skin barrier repairing (damaged skin, acne-prone skin, sensitive skin, post-medical art, etc.). The Group's fibronectin products have been shown to be as effective as natural fibronectin derived from human blood. During the Year, the Group had completed the development of our fibronectin raw material to achieve high yield, activity, and is ready for launch.

Beauty Peptides

Peptides have various cosmetic benefits and each peptide used in products has a specific activity. Our product lines focus on anti-wrinkle, anti-aging, skin-whitening, and anti-allergy. Our long-standing experience of clinical grade peptide manufacture applies equally to cosmetic peptides. The recombinant DNA approach could be more attractive in terms of costs and have a lower environmental impact and faster development time, than the current chemical manufacturing technologies. Currently, the Group had completed the initial development of its first cosmetic peptide product, Conopeptide, for anti-wrinkle applications and is about to begin the peptide's functional validation.

Collagen

Collagen is the most abundant protein in the human body, making up from 25% to 35% of the whole-body protein content. It forms a network of elastic fibers that support the skin, maintaining its elasticity and locking in moisture. Collagen production decreases by approximately 1% each year of age after maturity (about age 21), leading to a loss in firmness and elasticity of the skin. Collagen skincare products could be widely used in moisturizing, maintaining the skin barrier, and anti-aging. Currently, collagen products are under developing, and the Group is also exploring the possibilities of different types of collagen applications.

Microecological Skin-care Product

This microecological skincare product is derived from probiotic fermentation that balances beneficial skin flora, repairs the skin barrier, produces organic acids to maintain skin health, promotes wound healing, and reduces UV damage. With the application of synthetic biology technology, the Group develops microecological products with a wide range of properties for broader applications in skincare. In October 2022, the collaboration project with the Hong Kong Nano and Advanced Materials Institute was officially launched.

Stem Cell Exosome Product

Exosomes are emerging bioactive substances involved in multiple biological and cellular activities of the skin. These nanosized small membrane vesicles (30–100 nm) are secreted by all eucaryotic cells, including skin cells. Mesenchymal stem cells (MSCs) are multipotent cells with immunomodulatory and trophic effects. Exosomes from stem cells promote skin regeneration, collagen synthesis, and help minimize scar formation. Exosomes are non-immunogenic and safe as topical skincare.

High Value Generic Products and Bioequivalence Studies

Product	Indication	Status	Remark
Endocrinology			
Boshutai®	Type 2 Diabetes	Boshutai® (Acarbose Tablets) has been launched into market	Co-developed with Beijing Baiao Pharmaceutical Co., Ltd.
Infectious Disease			
Pinup®	Fungal infection	Pinup® was included in national centralized procurement in 2021	
Ophthalmology			
Diquafosol®	Dry eye disease	During the Year, the selection of raw material suppliers, the development of laboratory formulation processes and analytical methods were completed.	

Diquafosol Sodium Eye Drops Project

Diquas Sodium Eye Drop is a medication for treating dry eye disease and is suitable for patients with dry eye diagnosed with abnormal tear-associated corneal epithelial defect. During the Year, the Group completed the selection of raw material suppliers, the development of laboratory formulation processes and analytical methods. Currently, the Group plans to conduct a pilot-scale study and production process validation in 2023. The Active Pharmaceutical Ingredient ("**API**") cost advantages of the Group as well as the Blowing Filling and Sealing packaging technology will bring huge advantages to the Group in the competition of high-value generic products.

RESULTS OVERVIEW

In 2022, the Group recorded a record-breaking revenue of approximately HK$440.3 million, representing a significant increase of 24.6% year-on-year (2021: HK$353.4 million). The increase in revenue was mainly attributable to the impressive sales growth of Pinup® and Boshutai®.

Cost of sales for the Year increased by 38.0% to approximately HK$105.4 million in 2022 from approximately HK$76.4 million in 2021. Gross profit was approximately HK$334.9 million, representing an increase of 20.9% as compared with approximately HK$277.0 million in 2021, whereas gross profit margin was 76.1% (2021: 78.4%). Thanks to the Group's diligent internal control, general and administrative expenses accounted for merely 10.7% of revenue in 2022 as compared with 13.3% in 2021. The selling and distribution expense for the Year also decreased to 48.0% of revenue from 52.5% in 2021. The R&D expenses decreased by 28.8% to approximately HK$35.8 million due to the completion of several clinical tests and the capitalization of development expenses.

The Group's commitment to cost control and profitability resulted in earnings before interest, tax, depreciation and amortization ("**EBITDA**") for the Year of HK$65.8 million as compared to HK$13.7 million in 2021. Net cash flow of HK$48.7 million from operating activities for the Year was recorded, representing the second consecutive year of positive cash flow for the Group. The Group recorded a profit of approximately HK$38.5 million for the Year, a remarkable increase of 296.6% year-on-year (2021: loss of HK$19.6 million). Basic earnings per share was approximately HK$0.61 cents (2021 basic loss per share HK$0.31 cents).

Marketed drugs sales

GeneTime®

The Group's flagship product, GeneTime®, a prescription biological drug for wound healing. For the Year, revenue generated from GeneTime® was approximately HK$169.4 million, representing a decrease of 0.6% from approximately HK$170.5 million in 2021.

Despite the pandemic-related production interruptions in the first quarter of 2022, the Group quickly resumed and upgraded production of GeneTime® in mid-2022. With the successful passing of two-shift production simulation verifications and optimized upstream production processes, the production capacity of GeneTime® was significantly enhanced. As a result, sales of GeneTime® resumed growth in the second half of the year, offsetting the earlier shortfall.

GeneSoft®

GeneSoft® is a therapeutic drug for dry eye syndrome, corneal damage and post-operative healing. Despite the short-term production interruption caused by pandemic prevention measures in early 2022, GeneSoft® recorded an increase in revenue from approximately HK$36.3 million to approximately HK$38.4 million, representing an increase of 6.0%. The Group's ongoing efforts to optimize the distribution channel, improve promotion, and drive direct sales helped offset the impact of the production interruption.

Pinup®

The Group's self-developed chemical pharmaceutical product Pinup® (Voriconazole tablets) saw a remarkable increase of 51.2% in revenue, jumping from approximately HK$142.2 million to approximately HK$215.1 million for the Year. The increase was attributable to Pinup®'s inclusion in the national centralized procurement in 2021, which has secured the Group with substantial hospital orders. To keep up with the growing demand, the Group also allocated additional production capacity to support the success of Pinup® during the Year.

Boshutai®

The Group's product Boshutai® (Acarbose tablet) is a small molecule drug to treat diabetes launched in early 2021. For the Year, revenue of Boshutai® increased substantially from approximately HK$4.5 million to approximately HK$17.4 million, representing a significant increase of 292.5%. The increase was attributable to Boshutai®'s inclusion in the centralized procurement by the Henan Thirteen Provinces Alliance in June 2022, which secured the Group with new in-hospital orders. In a bid to meet the growing demand, the Group successfully shifted Boshutai®'s production to its strategic partner's Suzhou manufacturing site, which is significantly larger in scale, to expand the production capacity.

FINANCIAL PERFORMANCE REVIEW

Turnover

Sales Developments

For the Year, the Group recorded a revenue of approximately HK$440.3 million, representing a significant increase of 24.6% YoY.

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). For the Year, proprietary biological pharmaceutical products recorded approximately HK$207.8 million of sales, representing an increase of 0.5% compared with last year. Proprietary biological pharmaceutical products represented 47.2% 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 Boshutai® (Acarbose tablet). For the Year, the segment achieved a revenue of approximately HK$232.5 million, representing a significant increase of 58.5% compared with last year.

Gross Profit and Gross Profit Margin

For the Year, gross profit was approximately HK$334.9 million, representing an increase of 20.9% as compared with approximately HK$277.0 million in 2021. The increase in gross profit was mainly led by the surge of revenue generated from the Group's main products. Gross profit margin was 76.1% (2021: 78.4%) and the change was due to Pinup®'s price concession for the national centralized procurement, which was partly offset by the economies of scale from mass production volume.

Selling and Distribution Expenses

For the Year, selling and distribution expenses recorded an increase from approximately HK$185.7 million in 2021 to approximately HK$211.3 million in 2022, while the percentage of selling and distribution expenses over revenue decreased from 52.5% last year to 48.0% in 2022. This decrease was largely due to the Group's ongoing efforts to optimize its distribution strategies and strengthen its cost control.

Research and Development Expenses

Research and development expenses in 2022 was approximately HK$35.8 million, representing a decrease of 28.8% from approximately HK$50.2 million in 2021. The reduction was largely due to the completion of Uni-PTH clinical tests and the capitalization of related expenses. Including the capitalized portion, R&D expenses was approximately HK$53.9 million in 2022, representing an increase of 7.4% when compared with HK$50.2 million in 2021.

General and Administrative Expenses

For the Year, general and administrative expenses maintained at a stable level of approximately HK$47.0 million in 2022 (2021: HK$47.2 million), representing a decrease of 0.3%. The decrease was attributable to the Group's ongoing efforts in implementing its effective internal control and cost-cutting measures. The expenses accounted for 10.7% of revenue as compared with 13.3% last year.

Other Revenue

Other revenue for the Year was approximately HK$8.6 million, representing an increase of 45.7% when compared with approximately HK$5.9 million in 2021. The increase was mainly attributable to an increase in revenue from non-operating item, such as government subsidies.

Profit for the Year

The Group made a remarkable turnaround in 2022, posting a profit of HK$38.5 million after recording a loss of HK$19.6 million in 2021. This outstanding result was driven by the Group's continuous cost control, core operations and organic growth, marking a significant milestone in its journey towards sustained profitability. The Group's efforts over the past years have placed it on a solid path of profit growth.

PROSPECTS

Outlook

Amidst the stringent zero-COVID-19 policies, China faced significant economic challenges in the past year. Despite the reopening of borders, global economic headwinds are expected to continue in 2023 due to rising interest rates, inflation, and geopolitical trends. These factors will create economic shifts and challenges for businesses in areas such as trade, investment, and labor. Despite the economic challenges, President Xi Jinping has reaffirmed the country's commitment to supporting domestic demand expansion by prioritizing the recovery, boosting consumption and encouraging more private investment. These efforts are expected to help drive economic growth.

With the implementation of the "Healthy China" strategy and the support of favorable factors such as supportive policies, industry efforts, and capital investments, the pharmaceutical and healthcare sector is expected to remain one of the most dynamic and promising fields in China over the longer term. As the population ages, domestic substitution and urbanization continues, along with increasingly gentle centralized procurement policies, China's pharmaceutical industry is poised to experience high-quality innovation and development. This trend will lead to more Chinese patients seeking better treatment options and medical beauty products, creating a favorable environment for the rapid development of Chinese pharmaceutical enterprises.

As one of the leading biopharmaceutical companies in China, the Group is well-equipped to navigate any potential challenges on the horizon while capitalizing on emerging opportunities. Despite the unpredictable headwinds, the Group has consistently maintained a healthy financial position with a positive cash flow and a manageable debt load. Our innovative "four-wheel drive" business model, which includes high-value generic drugs, bio-innovative drugs, new skincare raw materials, and CMO business, enables us to diversify our income streams and adapt to changing market conditions. This approach fosters sustainable growth while positioning us as a leader in the competitive biopharmaceutical landscape.

Maximizing EGF Potential by Capacity Optimization and Product Innovations

The Group is dedicated to meeting the growing demand for its signature EGF products, GeneTime® and GeneSoft®. Through ongoing enhancements to production technology in areas of high-cell density fermentation and purification, the Group is poised to increase production capacity four-fold the original level and drive innovation in EGF applications.

The Group has been exploring different applications of the EGF products to further extend the product life span and usage. The Group has been developing different dosage forms of GeneTime®, such as gel form, film form, and VSD foam dressings. The new dosage forms enable long-term sterile protection and a moist healing environment to prevent the loss of active ingredients EGF, delaying the scabbing and achieving scarless wound healing. The Group has also been actively working with NAMI to develop a new formulation of rhEGF products. Leveraging the active ingredient EGF, together with nanofiber dressing technology, the new formulation is non-toxic, anti-infective, anti-adhesive and can reduce the frequency of change dressing, accelerating the wound healing process. The new product also targets to replace the existing silver ion dressing, which doctors express concerns about its low toxicity.

In addition, the Group has been developing the single-dose form of GeneSoft® (no preservatives) utilizing the Blowing Filling and Sealing ("**BFS**") packaging technology in order to replace the traditional multi-dose droppers. The BFS package can reduce the risk of cross-infection as well as is safer and more convenient to use. The Group has invested over RMB20 million to construct the BFS production line to support future production.

In order to maximize the utilization of the BFS production line, the Group has also been developing new products, such as Diquafosol Sodium Eye Drops, a high-value generic product for dry eye syndrome, which is complementary to GeneSoft®. With its higher market premium and cost advantages of API, the Group believes it further enhances the gross profit margin, while providing dry eye patients with a new domestic drug choice for clinical treatment upon its launch.

Bogutai® Set to Revolutionize Osteoporosis Treatment in China in 2023

Bogutai®, is the first domestically manufacturing PTH Liquid in China to use a disposable injection pen. Following the marketing application accepted by the NMPA and completion of the CFDI registration site verification in 2022, it is expected that Bogutai® will be approved for product launch by September 2023. It will become the fifth marketed and self-developed drug of the Group.

Developed in collaboration with Swiss self-care giant Ypsomed, Bogutai® is proven to be safer and have a better therapeutic effect, providing patients with a better drug choice for reducing the risk of vertebral and non-vertebral fractures in postmenopausal women. With the osteoporosis market in China estimated to be worth USD81.5 billion by 2031, the Group is poised to capture a significant share of this growing market. The Group has invested in expanding its sales team by 42% in our 1st year of launch, providing comprehensive training, and extensively organized many pre-marketing activities ensuring that Bogutai® becomes another signature product in the Group's portfolio.

Preparation for New Round of National Centralized Procurement

Pinup® (Voriconazole tablets) was successfully included in the national centralized procurement in 2021. The inclusion allowed the Group to quickly tap into new public hospital markets and secure massive hospital orders. With the procurement contract set to end in 2023, the Group is gearing up for the new round of procurement which will be launched as soon as in April 2023. The new rules and criteria for selection are favorable for existing winners. As Pinup® was among the first to be selected in the fourth batch of the national centralized procurement, the Group will enjoy the advantage and is confident to be selected in the upcoming procurement. During the process, the Group will continue to improve its production efficiency to protect margins and secure its spot in the upcoming procurement.

Tapping into the Booming Aesthetic Medical Industry

With the lifting of Covid-19 restrictions in China, the aesthetic medical industry is poised to regain its flourishing prospects. China's economic recovery and increased focus on skincare, coupled with favorable national policies promoting innovation in functional cosmetics, bode well for the industry's growth.

To capture the growing market opportunities, the Group has been collaborating with Global Cosmetics to develop new effective skincare raw materials since 2022. With more than 20 years of experience in the skincare industry, Global Cosmetics is a global beauty supply chain platform which is adaptative to market change, allowing them to stay ahead of industry trends. The collaboration brings together Global Cosmetics' extensive distribution network and the Group's expertise in dermatology to create a close-loop and integrated supply chain. Currently, the functional raw ingredients under development include collagen, fibronectin, beauty peptides, microecological skin-care product and stem cell exosome product. Our development process utilizes data-driven methods and draws on our extensive experience in drug development. These products have been shown to be safe in composition and highly effective, allowing us to create best-in-market products. The first product resulting from this partnership is fibronectin. Substantial data indicates that it surpasses its competitors in the market in terms of cell migration, cell growth and cell adhesion. Fibronectin is expected to launch in 2023, which will further diversify the Group's revenue stream. The Group is confident in the long-term prospects of the aesthetic medical industry and is poised to take advantage of the growing market opportunities.

Commitment to Innovation for Best-in-class Products

Uni-Bio is steadfast in its efforts to strengthen its comprehensive R&D capabilities and broaden its portfolio of best-in-class products. The Group has been partnering with Alephoson Biopharmaceuticals Ltd. ("**Alephoson**") and DotBio Pte. Ltd. ("**DotBio**") to investigate the potential application of Cell Penetration Protein Alternation Technology (CePPA) and co-develop next-generation best-in-class compounds in ophthalmology and other potential therapeutic areas since late 2021. Compared with the traditional intravitreal needle injection, DotBody's new technology can greatly reduce the pain of patients and effectively reduce the risk of complications caused by eye injections.

In addition, the Group is committed to the research of innovative delivery technology for oral drugs of peptide drugs to solve many pain points caused by traditional single drug delivery. The Group has been collecting data for the 3rd generation oral form of Uni-PTH, which is complementary to the 2nd generation Uni-PTH pre-filled injection pen. This product can further enhance the Group's competitiveness in the endocrine field and offers a more diverse option for osteoporosis patients. Meanwhile, the oral dosage form of Uni-GLP-1 is under development, with preliminary research indicating its superior bioavailability and efficacy in weight loss and liver health. In 2023, the Group is in preparation for animal testing to further evaluate its bioavailability and pharmacokinetics. The clinical work of Uni-GLP-1 injection pen has been undergoing as scheduled. Through these efforts, the Group aims to further diversify the formulation choices of the Group's marketed and future products, providing better solutions that meet the evolving needs of patients.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2022, the Group's bank deposits, bank balances and cash amounted to approximately HK$98,216,000. The Group had total assets of approximately HK$292,471,000 (as at 31 December 2021: HK$267,593,000), and current assets of approximately HK$200,341,000 (as at 31 December 2021: HK$201,665,000), while current liabilities were at HK$90,255,000 as at 31 December 2022 (as at 31 December 2021: HK$92,301,000). The total current liabilities to total assets ratio is 30.9% (as at 31 December 2021: 34.5%). 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.

CHARGES ON ASSETS

As at 31 December 2022, the Group did not have any charge on its assets (2021: Nil).

EMPLOYMENT AND REMUNERATION POLICY

As of 31 December 2022, the Group employed 370 employees, including 36 employees in the PRC R&D department, 193 employees in the PRC production department, 81 employees in the PRC commercial office and nine managers and four R&D employees 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 2022 (For the year ended 31 December 2021: 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 Qingshan. The audit committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2022.

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 2022.

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 2022.

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 2022.

CONNECTED TRANSACTIONS

R&D Cooperation Agreement

On 4 January 2022, Uni-Bioscience Pharm Company Limited ("**Uni-Bioscience Pharm.**"), an indirect wholly-owned subsidiary of the Company, and Baocui Biotechnology Co., Ltd. ("**Baocui**") entered into a research and development cooperation agreement (the "**R&D Cooperation Agreement**") in relation to the Project to jointly develop the New Project Materials for medical aesthetics purposes (the "**Project**"). The expected total amount to be contributed by Uni-Bioscience Pharm. for the Project is approximately RMB4.9 million (equivalent to approximately HK$6.0 million) taking into account the scope and scale of the Project.

As Baocui is an associate of Mr. Kingsley Leung ("**Mr. Leung**"), an executive Director and Chairman of the Board, Baocui is a connected person of the Company and accordingly the transactions contemplated under the R&D Cooperation Agreement constitute a connected transaction of the Company for the purpose of Chapter 14A of the Listing Rules.

Details of the Cooperation Agreement are set out in the announcement of the Company dated 4 January 2022.

Lease Contract

On 5 May 2022, Guangdong Watsin Genetic Engineering Development Co., Ltd., an indirect wholly-owned subsidiary of the Company, entered into the Lease Contract with Global Cosmetic (China) Company Limited (the "**Landlord**") in respect of the Lease of the Premises for a term of ten years commencing on 1 May 2022 and ending on 30 April 2032 (both days inclusive) for the Group's certain new production facilities, pursuant to Lease Contract at a total aggregated value of consideration payment is approximately RMB5.39 million (equivalently to approximately HK$6.45 million). The payment of the rent will be funded by the internal resources of the Group.

The Landlord is ultimately owned as to 100% by Madam Judy Lau ("**Ms. Lau**"), the mother of Mr. Leung. Accordingly, the Landlord is an associate of Ms. Lau who is a connected person of the Company, and thus and Landlord is a connected person of the Company under the Listing Rules.

Details of the Lease Contract are set out in the announcement of the Company dated 5 May 2022.

WTGL Lease Agreement

On 23 December 2022, 深圳市華生元基因工程發展有限公司 (Shenzhen Watsin Genetech Limited*) ("**WTGL**"), an indirect wholly-owned subsidiary of the Company, entered into a lease agreement (the "**WTGL Lease Agreement**") with 深圳市同創生物工程有限公司 (Shenzhen Tongchuang Biological Engineering Co., Ltd.*) ("**WTGL B**") in respect of the lease of the Premises (as defined below) 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 Premises includes the entire 1st floor, 2nd floor, 4th floor and the rooftop and part of the 3rd floor of the building, with a total gross floor area of 5,685.47 sq. m., situated at a land parcel located at No.7, Keji Middle 1st Road, Nanshan district, Shenzhen, the PRC (the "**WTGL Land**").

The total consideration is 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.

WTGL B is a limited liability company established in the PRC and separated from WTGL pursuant to 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 (the "**WTGL Split-off**"). Pursuant to the transactions contemplated under the disposal of the WTGL Land and property rights of the buildings constructed on the WTGL Land and all the equity interest in WTGL B (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 (the "**WTGL Sale Shares**") would be transferred to Greater Bay Capital Limited (the "**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 the WTGL Lease Agreement, 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 a third party independent of the Company and the connected persons of the Company. 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. Hence the transaction contemplated under the WTGL Lease Agreement constitutes a connected transaction of the Company for the purpose of Chapter 14A of the Listing Rules.

Details of the WTGL Lease Agreement are set out in the announcement of the Company dated 23 December 2022.

Delay in completion of WTGL SP Agreement

Pursuant to the share transfer agreement dated 16 November 2018 entered into between Zethanel Properties Limited ("**Vendor B**") (an indirect wholly-owned subsidiary of the Company) and Purchaser B in relation to the WTGL Disposal (the "**WTGL SP Agreement**") (as supplemented by the supplemental agreement dated 21 December 2021), the last date of which all the conditions precedent to the completion of the disposal of the WTGL Sale Shares (the "**WTGL Sale Shares Completion Long Stop Date**") shall be fulfilled, is on 31 December 2022 (or such other date as Vendor B and Purchaser B may agree in writing).

Due to the new additional requirements on the part of WTGL B as prescribed by the relevant government authority, additional time was required for the transfer of the title of the land use rights of the WTGL Land and property rights of the buildings constructed on the WTGL Land to be completed, which is one of conditions precedent to the completion of the disposal of the WTGL Sale Shares (the "**WTGL Sale Shares Completion**").

As the time required for WTGL B to fulfil the additional requirements has taken longer than originally expected, to allow sufficient time for WTGL B to be ready for the Group to transfer the title of the land use rights of the WTGL Land and property rights of the buildings constructed on the WTGL Land and proceed to WTGL Sale Shares Completion, the parties to the WTGL SP Agreement entered into a supplemental agreement on 23 December 2022 to extend the WTGL Sale Shares Completion Long Stop Date to a date falling on or before 31 December 2023 (or such other date as Vendor B and Purchaser B may agree in writing).

Details of the extension of the WTGL Sale Shares Completion Long Stop Date are set out in the announcement of the Company dated 23 December 2022.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the year ended 31 December 2022, the Group did not make any significant investments.

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

During the year ended 31 December 2022, 15,000,000 Services Shares were issued to Mr. Chen Dawei as an executive Director of the Company on 11 April 2022 pursuant to his service agreement.

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 2022.

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 2022 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 2022

	Notes	**2022**	2021
		HK$'000	*HK$'000*
Revenue	*3*	**440,316**	353,405
Cost of sales		**(105,433)**	(76,398)
Gross profit		**334,883**	277,007
Other revenue	*5*	**8,648**	5,935
Other gains and losses		**(2,929)**	134
Selling and distribution costs		**(211,273)**	(185,671)
General and administrative expenses		**(47,035)**	(47,177)
Research and development expenses		**(35,781)**	(50,219)
Provision for litigation	*13*	**(2,307)**	(15,610)
Equity-settled share-based payment expenses		**(543)**	(3,934)
Finance costs		**(376)**	(477)
Profit/(loss) before taxation	*6*	**43,287**	(20,012)
Income tax (expense)/credit	*7*	**(4,775)**	421
Profit/(loss) for the year		**38,512**	(19,591)
Other comprehensive (expense)/income, net of tax			
Item that may be reclassified subsequently to profits or loss:			
Exchange differences arising on translation of foreign operations		**(18,616)**	6,563
Other comprehensive (expense)/income for the year		**(18,616)**	6,563
Total comprehensive income/(expense) for the year		**19,896**	(13,028)
Earnings/(loss) per share (HK cents)	*8*	***HK cents***	*HK cents*
Basic		**0.61**	(0.31)
Diluted		**0.61**	(0.31)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2022

	Notes	**At 31 December 2022** ***HK$'000***	At 31 December 2021 *HK$'000*
Non-current assets			
Property, plant and equipment		**41,850**	43,888
Right-of-use assets		**18,016**	13,562
Intangible assets		**24,119**	8,177
Deposits paid for the acquisition of property, plant and equipment		**7,713**	301
Deferred tax assets		**432**	–
		92,130	65,928
Current assets			
Inventories		**33,852**	39,710
Trade and other receivables	*10*	**68,273**	78,346
Bank balances and cash		**98,216**	83,609
		200,341	201,665
Current liabilities			
Trade and other payables	*11*	**44,811**	54,827
Contract liabilities		**21,813**	20,207
Bank borrowings		**11,194**	–
Income tax payable		**3,112**	1,717
Lease liabilities		**4,008**	4,613
Amount due to a related party		**5,186**	10,937
Amount due to a joint operation		**131**	–
		90,255	92,301
Net current assets		**110,086**	109,364
Total assets less current liabilities		**202,216**	175,292

	Notes	**At 31 December 2022** ***HK$'000***	At 31 December 2021 *HK$'000*
Non-current liabilities			
Lease liabilities		**7,470**	985
		7,470	985
Net assets		**194,746**	174,307
Capital and reserves			
Share capital	*12*	**63,648**	63,498
Reserves		**131,098**	110,809
Total equity		**194,746**	174,307

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 — effective 1 January 2022

Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Annual Improvements to HKFRSs 2018–2020 Cycle	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards, HKFRS 9 Financial Instruments and HKFRS 16 Leases
Amendments to HKFRS 3	Conceptual Framework for Financial Reporting

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.

(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 Hong Kong Interpretation 5 (2020), Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosures of Accounting Policies[1]
Amendments to HKAS 8	Disclosures of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]
HKFRS 17	Insurance Contracts[1]

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

[2] Effective for annual periods beginning on or after 1 January 2024.

[3] 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.

The above new or revised HKFRSs that have been issued but not yet effective are unlikely to have material impact on the Group's consolidated results and consolidated financial statements upon application.

3. REVENUE

Revenue arising from sale of chemical and biological pharmaceutical products 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 (2021: 90 days) upon delivery.

Advance and deposits received from the customers are recognised as 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 2022

	Chemical pharmaceutical products *HK$'000*	**Biological pharmaceutical products** *HK$'000*	**Pipeline products** *HK$'000*	**Consolidated** *HK$'000*
Segment revenue				
External sales	**232,492**	**207,824**	**–**	**440,316**
Result				
Segment profit/(loss)	**49,550**	**26,575**	**(27,816)**	**48,309**
Other revenue				**8,648**
Equity-settled share-based payment expenses				**(543)**
Unallocated administrative expenses				**(12,751)**
Finance costs				**(376)**
Profit before income tax expense				**43,287**

For the year ended 31 December 2021

	Chemical pharmaceutical products *HK$'000*	Biological pharmaceutical products *HK$'000*	Pipeline products *HK$'000*	Consolidated *HK$'000*
Segment revenue				
External sales	146,666	206,739	–	353,405
Result				
Segment profit/(loss)	18,922	15,795	(43,167)	(8,450)
Other revenue				5,935
Change in fair value of investment properties				1
Equity-settled share-based payment expenses				(3,934)
Unallocated administrative expenses				(13,087)
Finance costs				(477)
Loss before income tax expense				(20,012)

Segment result represents the results of each segment without allocation of other revenue, change in fair value of investment properties, equity-settled share-based payment expenses, unallocated administrative 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

	2022	2021
	HK$'000	*HK$'000*
Interest on bank deposits	**1,297**	471
Rental income	**–**	35
Government grants *(Note i)*	**4,328**	1,160
Service income *(Note ii)*	**2,729**	3,702
Sundry income	**67**	264
COVID-19-related rent concessions	**227**	303
	8,648	5,935

Note i: 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.

During the year ended 31 December 2022, the Group applied for government support programs introduced in response to the COVID-19 pandemic. Included in profit or loss was HK$136,000 of government grants (2021: Nil) obtained relating to supporting the payroll of the Group's employees from the Hong Kong Government. The Group elected to present this subsidy in government grants above, rather than reducing the related expenses. The Group had to commit to spending the assistance on payroll expenses, and not to reduce employee head count below prescribed level for a specified period of time. The Group did not have any unfulfilled obligations relating to this program.

Note ii: Service income mainly represented the subcontracting income generated from the provision of manufacturing works to the customers.

6. PROFIT/(LOSS) BEFORE TAXATION

	2022	2021
	HK$'000	*HK$'000*
Profit/(loss) for the year has been arrived at after charging/(crediting):		
Staff costs (including directors' emoluments)		
Salaries, wages and other benefit	**73,295**	67,959
Retirement benefit scheme contribution	**15,217**	13,569
Equity-settled share-based payments	**198**	3,020
	88,710	84,548
Equity-settled share-based payments to consultants	**345**	914
Amortisation of intangible assets	**861**	893
Depreciation of property, plant and equipment	**11,889**	15,297
Depreciation of right-of-use assets	**4,796**	4,660
Less: Amortisation and depreciation included in research and development expenses	**(4,743)**	(5,675)
	12,803	15,175
Auditor's remuneration	**1,816**	1,955
Cost of inventories recognised as an expense	**105,433**	76,398
Research and development expenses	**53,940**	50,219
Less: Capitalisation on intangible assets	**(18,159)**	–
	35,781	50,219
Property rental income less outgoings	**–**	35

7. INCOME TAX EXPENSE/(CREDIT)

	2022	2021
	HK$'000	*HK$'000*
PRC Enterprise Income Tax ("**EIT**")		
— Current year	**3,949**	419
— Under provision in prior years	**1,275**	–
	5,224	419
Deferred tax		
— Current year	**(449)**	(840)
	4,775	(421)

The Company is tax exempt under the laws of the Cayman Islands.

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 Limited, wholly owned subsidiaries of the Company, were approved as High and New Technology Enterprise and were eligible to enjoy a preferential enterprise income tax rate of 15% (2021: 15%) for both years with the expiration date of 18 October 2025 and 11 December 2023, respectively.

8. EARNINGS/(LOSS) PER SHARE

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

	2022	2021
	HK$'000	*HK$'000*
Profit/(loss)		
Profit/(loss) for the year attributable to owners of the Company for the purpose of basic and diluted earnings/(loss) per share	**38,512**	(19,591)

	2022	2021
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	**6,360,659**	6,371,655
Dilutive effect of potential ordinary shares: Share options	**–**	–
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	**6,360,659**	6,371,655

The computation of diluted earnings per share for the year ended 31 December 2022 does not assume the exercise of the Company's outstanding share options because the adjusted exercise prices of those options calculated in accordance with HKAS 33 "Earnings Per Share" are higher than the average market price of the shares.

For the year ended 31 December 2021, 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.

9. DIVIDEND

No dividend was paid, declared or proposed during 2022, nor has any dividend been proposed since the end of the reporting period (2021: Nil).

10. TRADE AND OTHER RECEIVABLES

	2022	2021
	HK$'000	*HK$'000*
Trade receivables	**40,035**	46,016
Less: Loss allowance	**(3,556)**	(1,550)
	36,479	44,466
Bills receivables	**21,390**	27,164
Deposit, prepayments and other receivables	**10,574**	6,856
Less: Loss allowance	**(170)**	(140)
	10,404	6,716
	68,273	78,346

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

	2022	2021
	HK$'000	*HK$'000*
0–90 days	**28,599**	32,903
91–120 days	**4,014**	5,292
121–180 days	**3,118**	640
181–360 days	**818**	4,814
Over 360 days	**3,486**	2,367
	40,035	46,016
Less: Loss allowance	**(3,556)**	(1,550)
	36,479	44,466

11. TRADE AND OTHER PAYABLES

	Note	**2022**	2021
		HK$'000	*HK$'000*
Trade payables	*(i) & (ii)*	**5,265**	5,263
Other payables		**11,591**	6,354
Accruals		**27,955**	43,210
		44,811	54,827

Notes:

(i) The average credit period on purchases of goods is 120 days (2021: 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:

	2022	2021
	HK$'000	*HK$'000*
0–30 days	**2,936**	3,886
31–60 days	**461**	119
61–90 days	**241**	274
Over 90 days	**1,627**	984
	5,265	5,263

12. SHARE CAPITAL

	Note	**Number of shares**	**Amount**
			HK$'000
Ordinary shares of HK$0.01 each			
Authorised:			
At 1 January 2021, 31 December 2021 and 31 December 2022		500,000,000,000	5,000,000
Issued and fully paid:			
At 1 January 2021		6,391,008,147	63,910
Issue of ordinary shares in relation to award of new shares		15,000,000	150
Repurchase of shares	*(i)*	(56,240,000)	(562)
At 31 December 2021 and 1 January 2022		6,349,768,147	63,498
Issue of ordinary shares in relation to award of new shares		15,000,000	150
At 31 December 2022		6,364,768,147	63,648

Note:

(i) During the year ended 31 December 2021, the Company paid in aggregate HK$6,010,000 to buy back 56,240,000 ordinary shares of HK$0.01 each from the Stock Exchange from 25 June 2021 to 22 July 2021, at the highest price of HK$0.114 and the lowest price of HK$0.10 per share, and the excess paid over the par value of the shares was debited to the Company's share premium account. There was no repurchase of shares during the year ended 31 December 2022.

(ii) For the years ended 31 December 2022 and 2021, all shares issued during the years rank pari passu with the existing shares in all respects.

13. PROVISIONS, LITIGATIONS AND CONTINGENT

On 29 June 2021, Beijing Genetech Pharmaceutical Co., Limited ("**Beijing Genetech**"), one of the major production subsidiaries of the Company received a notice of arbitration filed with China International Economic and Trade Arbitration Commission (the "**CIETAC**") against Beijing Genetech by a distributor (the "**Distributor**") for one of the marketed drugs of the Group.

The Distributor filed claims against Beijing Genetech for damages arising from breach of a written distribution agreement made between the Distributor and Beijing Genetech dated 6 June 2019 amounting to approximately RMB34,000,000 (equivalent to approximately HK$41,033,000) in aggregate, together with legal fees, arbitration fees and other related costs. Upon receipt of the aforesaid arbitration notices, the Company has appointed an attorney for active response to the case.

On 15 November 2021, Beijing Genetech submitted its written defences to CIETAC to deny its liability to pay the said sums for the aforementioned arbitration. On 30 November 2021, Beijing Genetech filed counter-arbitration petitions to request for the termination of aforementioned distribution agreement and against the Distributor for the legal fees, arbitration fees and other related costs. The counter-arbitration petition has been accepted by the CIETAC.

On 6 January 2022, the Distributor submitted an application for modification of the arbitration request. In the said modification arbitration request application, the Distributor demanded compensation amounting to approximately RMB87,331,000 (equivalent to approximately HK$105,396,000) as well as the settlement of other related costs by Beijing Genetech. The modification arbitration request application has not been accepted by the CIETAC at the date of this announcement.

As a result of the foregoing, the Group made a provision of approximately RMB12,934,000 (equivalent to approximately HK$15,610,000) for the above litigation claim for the year ended 31 December 2021.

On 12 June 2022, Beijing Genetech received a decision made by the CIETAC (the "**Decision**"). Pursuant to the Decision, Beijing Genetech was ordered to make a payment of service fee payables, a repayment of royalty fee paid by the Distributor and the corresponding compensation payments of approximately RMB14,919,000 (equivalent to approximately HK$17,996,000) of which an aggregate amount of RMB12,934,000 (equivalent to approximately HK$15,610,000) had been included in the provision amount as at 31 December 2021. A further provision of approximately RMB1,985,000 (equivalent to approximately HK$2,307,000) for the above litigation claim was made for the year ended 31 December 2022.

Apart from the aforesaid case, the Group was not involved in any other material litigation or arbitration during the year ended 31 December 2022.

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

Hong Kong, 27 March 2023

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.