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 2023

HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER 2023

- For the year ended 31 December 2023 (the "**Year**"), the Group achieved record-breaking revenue, witnessing a 10.1% year-on-year ("**YoY**") increase to approximately HK$484.7 million.
- Profit for the Year experienced a remarkable 84.04% YoY surge, reaching approximately HK$70.9 million, marking a significant milestone for a research-oriented biopharmaceutical company.
- Sales of Pinup® and GeneTime® performed well, registered an increase of 15.0% YoY and 9.54% YoY respectively.

* *For identification purposes only*

- During the Year, general and administrative expenses as percentage of revenue decreased from 10.7% to 9.8%, which attributable to the Group's ongoing efforts in internal control and cost-cutting measures.

- The marketing application of the Group's Bogutai® (teriparatide injection) was approved by the China National Medical Products Administration ("**NMPA**"), marking a significant breakthrough for the Group in orthopedic disease treatment and providing patients with expanded options.

- During the Year, the Group reached a significant milestone with the successful introduction of Skbrella™ FN, marking its entry into the advanced skincare raw material market. Currently, Skbrella™ FN is in the stage of formula optimization and packaging design, with plans to officially launch a self-owned fibronectin medical aesthetics brand in 2024.

- During the Year, the Group established its "Biopeptides Innovative Medicine and Advanced Technology R&D Center" in Beijing. This cutting-edge facility integrates the latest advancements in bioinformatics technology, genetic engineering, and oral formulation techniques, marking a transformative era in the biosynthetic polypeptide drug industry.

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 2023 as follows:

KEY FINANCIAL HIGHLIGHTS

For the year ended 31 December

	2023	2022
Revenue *(HK$'000)*	**484,718**	440,316
Adjusted EBITDA *(HK$'000)*	**99,445**	66,108
Gross profit margin *(%)*	**81.0%**	76.1%
R&D costs to revenue *(%)*	**7.3%**	8.1%
As at 31 December		
Current ratio *(times)*	**2.07**	2.22
Gearing ratio *(%)*	**16.19%**	5.75%
Total assets turnover *(%)*	**118.2%**	150.6%

FINANCIAL FIGURES BASED ON REPORTABLE SEGMENT FOR THE YEAR ENDED 31 DECEMBER 2023 AND 2022

	Year ended 31 December		
	2023	2022	Change
	HK$'000	*HK$'000*	
Revenue	**484,718**	440,316	10%
Cost of sales	**(91,900)**	(105,433)	–13%
Gross profit	**392,818**	334,883	17%
Other revenue	**13,644**	8,648	58%
Other gains and losses	**(5,551)**	(2,929)	89%
Selling and distribution costs	**(241,276)**	(211,273)	14%
General and administrative expenses	**(47,376)**	(47,035)	1%
Research and development expenses	**(35,576)**	(35,781)	–1%
Provision for litigation	**–**	(2,307)	–100%
Equity-settled share-based payment expenses	**–**	(543)	–100%
Finance costs	**(783)**	(376)	108%
Profit before taxation	**75,900**	43,287	75%
Income tax expense	**(5,024)**	(4,775)	5%
Profit for the year	**70,876**	38,512	84%

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2023, China's pharmaceutical industry saw continuous improvement with the ongoing optimization of centralized procurement and medical insurance negotiation rules, along with reduced homogenized competition. Favorable policies, including accelerated drug approval and expanded medical insurance coverage, spurred companies to actively pursue innovative pipelines, marking the inception of a new growth cycle.

Despite tightening hospital governance requirements for pharmaceutical sales throughout the year, the Chinese government reaffirmed its strong support for standardized academic conferences and medical activities, aimed at regulating sales behavior within the industry. This regulatory trend is expected to benefit leading pharmaceutical companies with well-established compliance systems over the long term.

Meanwhile, China’s aesthetic medical market has emerged as one of the world’s fastest-growing sectors, with significant untapped potential. This makes the medical beauty industry a focal point within the broader beauty and healthcare sectors, driven by consumer pursuit of self-improvement, technological innovation, and a diversified consumer base.

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 2023, the group has launched four drugs into the market, namely GeneTime®, GeneSoft®, Pinup® and Boshutai®.

KEY ACCOMPLISHMENTS IN 2023

Record-breaking Financial Performance

In 2023, the Group sustained its growth trajectory in the sales of its marketed drugs, leveraging the market rebound following COVID-19 restrictions. Strengthening its marketing initiatives within hospital networks and among patients, alongside bolstering its direct sales team across diverse distribution channels, contributed to this success. Despite heightened hospital governance and compliance measures, and ongoing anti-corruption investigations, which temporarily impacted overall drug sales, the Group's academic seminars and marketing activities continued to enhance awareness and acceptance of its drugs among healthcare professionals and patients, fostering healthy sales growth.

The Group achieved record-breaking revenue in 2023, witnessing a 10.1% year-on-year ("**YoY**") increase to approximately HK$484.7 million. Impressively, profit for the year experienced a remarkable 84.04% YoY surge, reaching approximately HK$70.9 million, attributed to the Group's diligent cost control measures. These results mark a significant milestone for a research-oriented biopharmaceutical company, laying a strong foundation for future expansion amidst the evolving market landscape.

NMPA Approval for Bogutai® Opens New Frontiers in the Osteoporosis Market

In January 2024, the China National Medical Products Administration ("**NMPA**") granted official approval for Bogutai®'s marketing launch, marking a significant breakthrough for the Company in orthopedic disease treatment and providing patients with expanded options.

Bogutai® (teriparatide injection) represents the Group's fifth marketed product, following GeneTime®, GeneSoft®, Pinup®, and Boshutai®, and distinguishes itself as the first domestically produced disposable pre-filled pen teriparatide injection. Extensive preclinical and non-clinical trials have demonstrated Bogutai®'s efficacy in treating osteoporosis and easing bone pain, while also showing potential to reduce fracture risk by enhancing bone quality and density. Its effectiveness not only matches but surpasses imported products, offering a superior safety profile and more favorable pricing for a broader patient base.

Designed with user convenience in mind, Bogutai® features an innovative design developed in collaboration with Swiss self-care leader Ypsomed. This design eliminates the need for reconstitution with additional purchases of injection pens, with extremely fine needles and high dose accuracy ensuring minimal patient discomfort and improved compliance.

Throughout 2023, the Group bolstered its sales force and conducted extensive pre-marketing academic promotions to pave the way for Bogutai®'s launch. Furthermore, significant investments were made in a state-of-the-art pre-filled sterile injection production line in Beijing to secure long-term supply. The sales of Bogutai® have commenced in the first quarter of 2024, marking a new era in user-friendly drug administration and underscoring Uni-Bio's unwavering dedication to innovation in the biopharmaceutical sector.

Skbrella™ FN Unveiled a New Era in Skincare Innovation

In May 2023, the Group reached a significant milestone with the successful introduction of Skbrella™ FN, marking its entry into the advanced skincare raw material market. Developed through a collaborative effort between the Group and Global Cosmetics, Skbrella™ FN is a small-molecule, high-activity recombinant human fibronectin. This innovative product offers a wide range of benefits, including rapid repair, soothing anti-inflammatory properties, and effective moisturization, making it suitable for various skincare needs such as damaged skin conditions, acne-prone skin, sensitive skin, and post-medical aesthetic procedures.

The development of Skbrella™ FN aligns with the Group's commitment to creating top-quality, highly efficient, and cost-effective ingredients that raise the standards of skincare. Currently, the project is in the stage of formula optimization and packaging design, with plans to officially launch a self-owned medical aesthetic brand utilizing Skbrella™ FN 2024. Additionally, the Group is actively exploring diverse commercialization opportunities for Skbrella™ FN, with the aim of unlocking its full market potential.

Set the Stage for Breakthroughs with New R&D Center

In 2023, the Group established its "Biopeptides Innovative Medicine and Advanced Technology R&D Center" in Beijing. This cutting-edge facility integrates the latest advancements in bioinformatics technology, genetic engineering, and oral formulation techniques, marking a transformative era in the biosynthetic polypeptide drug industry. Central to the success of the R&D Center is the implementation of a green, low-carbon circular development system for biologic peptides. This system streamlines the industrialization and large-scale production of innovative green peptides, ensuring enhanced safety profiles and broader therapeutic applications.

In addition to the R&D Center in Beijing, the Group's research center in Hong Kong focuses on pioneering fields such as synthetic biology, nanomaterials, and protein engineering. This collaborative environment redefines the Group's R&D framework, diversifies its product portfolio, and unveils new avenues for significant strategic expansion.

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 (recombinant human parathyroid hormone 1-34), 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 injection conveniences. 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. In January 2024, Bogutai® was officially approved for marketing by NMPA and the sales have commenced in the first quarter of 2024. 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 three 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.

The formulation development of oral form Uni-GLP-1 was successfully completed, and the results showed that its bioavailability was superior to the positive control oral semaglutide. Currently, formal animal studies in BaMa Miniature Pig are under preparation to further validate the bioavailability and pharmacokinetics of the oral form Uni-GLP-1 in animals.

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, a Bispecific nanobody, is a promising candidate in the field of ocular disease treatment, specifically for conditions such as wet age-related macular degeneration (wAMD). This revolutionary molecule is uniquely designed to simultaneously block two proangiogenic receptors. This dual-targeting approach has demonstrated superior inhibitory efficacy as compared to inhibiting either factor individually, marking an advance from its predecessor, UB101. The Group is leveraging our advanced technology platform to expedite the development of UB102. Preliminary in vitro studies suggest that UB102 exhibits a significantly higher affinity for its targets, vascular endothelial growth factor-A (VEGF-A) and angiopoietin-2 (Ang-2). This superior affinity is expected to translate into remarkable efficacy and extended treatment intervals, potentially offering profound benefits to patients.

For context, the Faricimab molecule is currently used in the treatment of similar eye disorders, including wet AMD and diabetic macular oedema (DMO). It also works by neutralizing Ang-2 and VEGF-A, the very targets of UB102. While Faricimab molecule treatment allows for a three to four month interval between eye injections, thereby minimizing the risk of injection-related complications, it's worth noting that UB102 is expected to further enhance this advantage.

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 RMB23.45 billion 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 medical aesthetics 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-aesthetic treatment, etc.). The Group's Skbrella™ FN has been shown to be as effective as natural fibronectin derived from human blood.

The Group's Skbrella™ FN boasts a competitive edge labeled as "1+3+2." The "1" signifies a rigorous and refined process flow, consisting of 16 critical steps and 16 control points, starting from the cell seed bank and culminating in the final fibronectin raw material. The "3" encompasses three crucial technologies, including AlfaBODY AI design, HD 3.0 high-density fermentation technology, and pharmaceutical-grade protein ultra-purification. This integration results in a substantial increase in Skbrella™ FN's unit productivity, achieving cosmetic quality equivalent to pharmaceutical-grade standards. The "2" refers to the validation of two scientific experiments, which are cell migration and cell adhesion. During the Year, the Group had been preparing for formulation optimization and refining the product's exterior design. The official launch of Skbrella™ FN medical aesthetics brand is planned for 2024. The Group also plans to leverage endorsements from key opinion leaders (KOLs) in dermatology, and harness the synergistic effects of Skbrella™ FN and EGF to enhance the professionalism and market appeal of Skbrella™ FN.

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 (30-100nm) 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
Ophthalmology			
Diquafosol®	Dry eye disease	Marketing application has been officially accepted by NMPA in January 2024	

Diquafosol Sodium Eye Drops Project

Diquafosol Sodium Eye Drops are a medication for treating dry eye disease and are suitable for patients diagnosed with dry eye accompanied by abnormal tear-associated corneal epithelial defects. Diquafosol Sodium represents the next generation of dry eye medication, offering cutting-edge therapy through its novel mechanism as a P2Y2 receptor agonist, stimulating tear and mucin secretion. This addresses the underlying causes of dry eye syndrome, normalizing the tear layer and improving corneal epithelial damage.

During the Year, the Group doubled its sales force and integrated online e-commerce platforms to diversify sales channels and enhance customer engagement. This approach aimed to strengthen the Group's position within the ophthalmology market. Additionally, the Group significantly enhanced the manufacturing capabilities of Diquafosol Sodium eye drops by inaugurating a new production facility in Dongguan, equipped with the latest Blow-Fill-Seal ("**BFS**") technology for a seamless and aseptic process from bottle creation to filling and sealing. Furthermore, the Group established strategic partnerships with Active Pharmaceutical Ingredient ("**API**") manufacturers to secure favorable costs, positioning the Group competitively in the market.

In January 2024, the marketing application of Diquafosol Sodium eye drops was officially accepted by NMPA. Following GeneSoft®, Diquafosol Sodium eye drops complement the Group's robust ophthalmic drug portfolio and are expected to be approved for marketing in the first quarter of 2025, becoming one of the first BFS Diquafosol products approved for listing.

RESULTS OVERVIEW

In 2023, the Group recorded a revenue of approximately HK$484.7 million, representing an increase of 10.1% YoY. The increase in revenue was mainly attributable to the Group's continuous expansion of hospital coverage and applicable patient population through academic seminars and promotions, which were fully recognized by the market and patients.

Cost of sales for the Year decreased by 12.8% to approximately HK$91.9 million in 2023 from approximately HK$105.4 million in 2022, thanks to the Group's supplier optimization strategies as well as the enhanced economy of scale. The Group continued its efforts to optimize and control production costs by fostering ongoing cooperation with raw material suppliers, thereby reducing the procurement cost of the API. As a result, gross profit amounted to approximately HK$392.8 million, representing an increase of 17.3% as compared approximately HK$334.9 million in 2022, and gross profit margin increased by 4.9 percentage points YoY to 81.0%. Other revenue for the Year increased by 57.8% YoY to approximately HK$13.6 million, which was mainly attributable to its growing CMO business. The Group strictly controlled its general and administrative expenses, which only accounted for 9.8% of revenue in 2023 as compared with 10.7% in 2022. The selling and distribution expenses for the Year increased to 49.8% of revenue from 48.0% in 2022, mainly due to the marketing expenses of Pinup® increased this year and the strategic expansion of sales force in preparation for new product launches. The R&D expenses decreased by 0.6% YoY to approximately HK$35.6 million due to the completion of several clinical tests and the capitalization of related development expenses.

Taking into account all the factors mentioned above, the Group accomplished a record-breaking profit of approximately HK$70.9 million for the Year, representing a remarkable increase of 84.04% YoY. The earnings per share stood at approximately HK1.11 cents, reflecting a growth of 82% YoY.

Marketed drugs sales

GeneTime®

The Group's flagship product, GeneTime®, is a prescription biological drug for wound healing. For the Year, revenue generated from GeneTime® was approximately HK$186.0 million, representing an increase of 9.8% YoY. This surge can be attributed to several key factors, including the expansion of the Group's hospital network, robust sales within hospital settings driven by intensified academic seminars and marketing initiatives, and additional revenue streams from digital channels, such as e-commerce platforms, online hospitals, and pharmacies. Notably, in 2023, the Group's successfully added a total of 261 hospital outlets to GeneTime®'s sales network.

In addition to its traditional focus on burn centers, GeneTime® has proactively extended its reach into new medical domains, including dermatology, accident and emergency departments, and laser cosmetic departments. This strategic expansion aims to diversify its applications and capitalize on emerging opportunities in these sectors.

GeneSoft®

GeneSoft® is a therapeutic drug for dry eye syndrome, corneal damage and post-operative healing. During the Year, GeneSoft® recorded an increase in revenue from approximately HK$38.4 million to approximately HK$41.3 million, representing an increase of 7.6%. This growth can be attributed to the Group's continued efforts to optimize distribution channels and enhance academic promotions within hospitals. Additionally, the Group successfully expanded GeneSoft®'s sales network by adding a total of 164 hospital outlets in 2023. The introduction of a new dual package also contributed to the growing sales momentum. Currently, the Group is gearing up for GeneSoft®'s entry into medical insurance coverage, a move aimed at unlocking even greater avenues for growth.

Pinup®

The Group's self-developed chemical pharmaceutical product Pinup® (Voriconazole tablets) recorded an increase of 15.0% in revenue from approximately HK$215.1 million to approximately HK$247.4 million for the Year. The increase was attributable to the expanding market demand along with the Group's ongoing academic promotions within the medical community, leading to a sustained sales momentum in hospital orders.

Boshutai®

The Group's product Boshutai® (Acarbose tablet) is a small molecule drug to treat diabetes, launched in early 2021. In response to fierce market competition, the Group has strategically slowed down its sales efforts and is actively implementing supplier optimization strategies to bolster its cost advantage. Consequently, revenue from Boshutai® declined from approximately HK$17.4 million to approximately HK$10.4 million, representing a decrease of 40.2%.

FINANCIAL PERFORMANCE REVIEW

Turnover

Sales Developments

For the Year, the Group recorded a revenue of approximately HK$484.7 million, representing an increase of 10.1% YoY.

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$226.9 million of sales, representing an increase of 9.2% compared with last year. Proprietary biological pharmaceutical products represented 46.8% of total sales for the Year.

Chemical Pharmaceutical Products

The Group's chemical pharmaceutical products include Pinup® (Voriconazole tablets which are tailored to treat severe fungal infection) and Boshutai® (Acarbose tablet). For the Year, the segment achieved a revenue of approximately HK$257.9 million, representing an increase of 10.9% compared with last year.

Gross Profit and Gross Profit Margin

For the Year, gross profit was approximately HK$392.8 million, representing an increase of 17.3% as compared with approximately HK$334.9 million in 2022. The increase in gross profit was mainly led by the surge of revenue generated from the Group's main products. Gross profit margin increased by 4.9 percentage points from 76.1% in 2022 to 81.0%. The increase was attributable to the improved efficiency in scaling and the implementation of strategies to optimize its supply chain, thereby mitigating procurement and production costs.

Selling and Distribution Expenses

For the Year, selling and distribution expenses recorded an increase from approximately HK$211.3 million in 2022 to approximately HK$241.3 million in 2023. The percentage of selling expenses over revenue increased to 49.8% in 2023 from 48.0% in 2022. The increase was a result of the expansion of sales personnel in preparation for the launch of Bogutai® and Skbrella™ FN skincare product, as well as the increasing marketing expenses to promote Pinup®.

Research and Development Expenses

Research and development expenses in 2023 was approximately HK$35.6 million, representing a decrease of 0.6% from approximately HK$35.8 million in 2022. The reduction was largely due to the completion of Uni-PTH clinical tests and the capitalization of related expenses. In addition,investments in research and development capitalisation amounted to HK$16.37 million, representing a decrease of 9.8% from approximately HK$18.16 million in 2022.

General and Administrative Expenses

For the Year, general and administrative expenses was approximately HK$47.4 million, representing an increase of 0.7% from approximately HK$47.0 million in 2022. The expenses accounted for 9.8% of revenue as compared with 10.7% last year, which attributable to the Group's ongoing efforts in internal control and cost-cutting measures.

Other Revenue

Other revenue for the Year was approximately HK$13.6 million, representing an increase of 57.8% when compared with approximately HK$8.6 million in 2022. The increase was mainly attributable to its growing CMO business.

Profit for the Year

In 2023, there was a remarkable surge in profit, soaring from approximately HK$38.5 million in 2022 to approximately HK$70.9 million, marking an impressive increase of 84.04%. The significant increase in profit is mainly credited to the continued organic growth in marketed drugs propelled by effective marketing initiatives, rigorous cost control measures, ongoing supply chain optimization, and the expansion of the CMO business. This sustainable profit growth underscores the Group's dedication to maintaining profitability and positioning itself for continued success in the future.

PROSPECTS

Outlook

In recent years, the Chinese government has spearheaded a series of reforms aimed at revitalizing its healthcare and medical sector, a move expected to spur innovation and advancement within the nation's pharmaceutical industry. Notable policy changes, such as adjustments to medical insurance coverage and the implementation of centralized volume-based procurement, have reshaped the landscape of China's pharmaceutical market, driving a surge in demand for technological advancements and operational efficiency in drug manufacturing. Through initiatives like centralized procurement and ongoing revisions to the list of covered medications, the government seeks to offer accessible, diversified, and cost-effective healthcare solutions, underscoring its commitment to enhancing the nation's healthcare landscape.

Meanwhile, China is experiencing a surge in demand for functional cosmetics, prompting the government to implement stringent regulations while fostering the growth of local manufacturers. According to a comprehensive study by Qianzhan and Frost & Sullivan, China's functional skincare cosmetics market is projected to reach RMB122.4 billion by 2028, reflecting a compound annual growth rate of 17.5% from 2023 to 2028.

Building on these positive market dynamics, Uni-Bio Science Group is positioned to seize the ongoing growth opportunities in both the pharmaceutical and aesthetic medical markets, propelling the Company forward on its path of rapid expansion.

Bogutai®: Official Launch to Revolutionize Osteoporosis Treatment

On 16 January 2024, the NMPA officially approved the marketing application for Bogutai® (teriparatide injection), marking a significant milestone for the Group. With the first batch of products set to be shipped in the first quarter of 2024, Bogutai® emerges as the first domestically produced disposable pre-filled pen teriparatide injection, developed in collaboration with Swiss self-care leader Ypsomed. Demonstrating superior efficacy compared to similar class of osteoporosis treatments, Bogutai® is strategically targeted for distribution in 3A hospitals through a specialized direct sales team, focusing on core medical domains such as Orthopedics, Endocrinology, and Geriatrics.

Recognizing the immense market opportunity presented by osteoporosis-related medical expenses, projected to soar to RMB132 billion by 2035 and RMB163 billion by 2050, the Group is confident in Bogutai®'s potential to transform orthopedic disease management. By providing patients with a more reasonable, accurate, and comfortable treatment option, Bogutai® is poised to lead the way in revolutionizing osteoporosis treatment.

Looking ahead, the Group is preparing for Bogutai®'s fourth clinical research or real world study, which will focus on fracture prevention, accelerated healing, and pain relief. Through collaborative trials with hospitals, the Group aims to further enhance its competitiveness and generate valuable research data. Concurrently, the Group is actively recruiting skilled professionals to support the international expansion of Bogutai®, strengthening its global presence and extending its positive impact worldwide.

Diquafosol Sodium Eye Drops: Pioneering the Future of Dry Eye Treatment

The NMPA's acceptance of the marketing application for Diquafosol Sodium eye drops on 23 January 2024 marks a pivotal step towards its anticipated market approval in the first quarter of 2025. This milestone heralds a new era in the Group's endeavors to diversify its ophthalmology drug portfolio and broaden treatment options for patients suffering from dry eye syndrome.

Diquafosol Sodium stands out as a groundbreaking solution, addressing tear layer normalization and alleviating corneal epithelial damage. Leveraging the BFS technology for preservative-free single-dose packaging, the medication not only ensures efficacy but also enhances patient convenience. To maintain exceptional quality while ensuring cost-effectiveness, the Group has strategically collaborated with API manufacturers and established a cutting-edge production facility in Dongguan. This collaborative approach secures the Group's raw materials at competitive costs, well below market averages.

With the dry eye medication market projected to surge to over RMB42 billion by 2030, with a remarkable CAGR of 28.4%, the Group is poised to capitalize on this substantial growth opportunity.

Skbrella™ FN: Ventures into Medical Aesthetics with Advanced Skincare Innovations

In recent years, the Group has been actively engaged in the development of advanced skincare raw materials, leading to the successful launch of products like Skbrella™ FN. Leveraging over two decades of experience in biopharmaceuticals and dermatology, the Group has strategically assembled a dedicated team to enter the medical asthetics industry.

Since the introduction of Skbrella™ FN in May 2023, the Group has been actively soliciting market feedback and making necessary adjustments to meet customer specifications. Currently, the project is in the stage of formula optimization and packaging design, with plans to officially launch a proprietary medical aesthetics brand utilizing Skbrella™ FN in 2024. Moreover, the Group is proactively exploring various other commercialization opportunities for Skbrella™ FN, aiming to maximize its market potential.

Looking ahead, the Group is diversifying its product portfolio by combining fibronectin with facial masks or other products like GeneTime®. The product extension accommodates various market segments and promotes cross-selling among users of different products within the Group. This strategy will effectively expand the user base and create additional revenue streams. Moreover, the Group's ongoing research into advanced skincare raw materials is poised to pave the way for groundbreaking advancements in the medical aesthetics market.

EGF Products: Continuous Innovations and Production Enhancement

The Group's EGF products have garnered significant recognition in the market over time. To meet the escalating demand for these products, the Group has consistently enhanced EGF process technology and optimized drug substance production capacity. The production capacity of each batch has now tripled compared to the previous capacity, following the initial phase of capacity enhancement in 2022.

The Group is in the process of preparing supplementary materials for submission to the NMPA by April 2024, aiming to further expand production capacity by fourfold. This increase not only enhances production efficiency and reduces costs but also facilities new dosage forms and new formulation. It diversifies the EGF production line and fortifies the Group's competitive edge in the market.

To cater to the increasing demand for EGF products, the Group has diversified its sales channels by entering the e-commerce sector. This strategic move aims to enhance customer engagement and tap into the benefits of online platforms, which offer lower operating costs and higher efficiency as compared to traditional distribution channels. By expanding sales through these channels, the Group expects to optimize costs, achieve long-term economies of scale, positioning itself for sustained growth in the future.

Advanced Technology Platforms: Pioneering Solutions in Synthetic Biology and Hydrogel Drug Delivery

Synthetic Biology Technology Platform

In Beijing, the Group's Biopeptides Innovative Medicine and Advanced Technology R&D Center leverages its synthetic biology technology platform to pioneer vesicle-mediated protein secretion technology. This initiative aims to systematically reconfigure the gene network of Escherichia coli ("**E. coli**"), enhancing vesicle quality and promoting efficient secretion. Through optimized fermentation conditions, the Group has extended the replicative lifespan (RLS) and chronological lifespan (CLS) of E. coli cells, bolstering the production performance of the E. coli microbial cell factory. These advancements are poised to enable a kilogram-level output of biological peptides, significantly reducing the cost of biological peptide raw materials.

Hydrogel Technology Platform

Hydrogel, an emerging drug delivery system, undergoes a physical state change at the drug delivery site to form a semi-solid state with adhesion and tissue compatibility. This system extends drug residence time in the body and facilitates continuous drug release, minimizing systemic absorption and toxicity while enhancing bioavailability and therapeutic effects. Leveraging the unique advantages of hydrogels, the Group has developed a technology platform to develop different types of hydrogels, ensuring targeted, sustained, and controlled release based on clinical requirements.

In the wound healing growth factor product market, hydrogel dominates as the preferred dosage form, earning recognition and recommendation from medical professionals and hospitals. The Group is at the forefront of developing a novel temperature-sensitive hydrogel dosage form for EGF products. This innovative hydrogel undergoes immediate phase transition upon administration, transforming from a liquid to a non-chemically semi-solid hydrogel state. With ease of administration, precise dosage, and sustained drug release properties, this hydrogel accelerates wound healing and mitigates scar formation risk, extending the lifecycle of the Group's EGF products and capturing greater market share.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2023, the Group's bank deposits, bank balances and cash amounted to approximately HK$129,236,000. The Group had total assets of approximately HK$409,992,000 (as at 31 December 2022: HK$292,471,000), and current assets of approximately HK$238,096,000 (as at 31 December 2022: HK$200,341,000), while current liabilities were at HK$114,790,000 as at 31 December 2023 (as at 31 December 2022: HK$90,255,000). The total current liabilities to total assets ratio is 28.0% (as at 31 December 2022: 30.9%). 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 2023, the Group's land use rights included in right-of-use assets, buildings included in property, plant and equipment and trademarks and certificates included in intangible assets with an aggregate carrying amount of approximately HK$17.4 million (31 December 2022: approximately HK$19.1 million) were pledged to banks as securities for borrowings granted to the Group.

EMPLOYMENT AND REMUNERATION POLICY

As of 31 December 2023, the Group employed 407 employees, including 31 employees in the PRC R&D department, 194 employees in the PRC production department, 113 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 2023 (for the year ended 31 December 2022: 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 2023.

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 C1 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 2023.

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 C3 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 2023.

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.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the year ended 31 December 2023, the Group did not make any significant investments.

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 2023.

CONNECTED TRANSACTION

Provision of Loan

On 18 September 2023, 北京博康健基因科技有限公司 (Beijing Genetech Pharmaceutical Co., Limited*) (the "**Lender**"), an indirect wholly-owned subsidiary of the Company, entered into the Loan Agreement with 廣州太力生物醫藥科技有限公司 (Guangzhou Taili Biomedical Technology Co., Limited*) (the "**Borrower**"), pursuant to which the Lender agreed to (1) provide the Borrower with a Loan in a principal amount of RMB7.15 million for a term of 24 months commencing from 19 September 2023; and (2) extend the Previous Loan in a principal amount of RMB2.35 million to a term of 24 months commencing from the date of drawdown, to facilitate the research and development and operations of the Borrower.

Each of the advance of the Loan and the Previous Loan (whether standalone or in aggregate) did not constitute a disclosable 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.

As the Loan, the Previous Loan (as extended) were granted to the Borrower within a 12-month period prior to and inclusive of the date of the Loan Agreement, each of the Loan and the Previous Loan (as extended) were aggregated as a series of transactions pursuant to Rule 14A.81 of the Listing Rules. Since the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the making of the Loan and the Previous Loan (as extended), in aggregate, exceeds 0.1% but is less than 5%, the Loan and the Previous Loan (as extended), in aggregate, are subject to the announcement and reporting requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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 23 December 2022), 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 2023 (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 22 December 2023 to extend the WTGL Sale Shares Completion Long Stop Date to a date falling on or before 31 December 2026 (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 22 December 2023.

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

86,000,000 shares were repurchased during the year ended 31 December 2023. And 115,180,000 shares were repurchased on January 2024, totally 201,180,000 shares were cancelled on 7 February 2024 respectively.

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 2023.

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 2023 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 2023

	Notes	**2023** ***HK$'000***	2022 *HK$'000*
Revenue	*3*	**484,718**	440,316
Cost of sales		**(91,900)**	(105,433)
Gross profit		**392,818**	334,883
Other revenue	*5*	**13,644**	8,648
Other gains and losses		**(5,551)**	(2,929)
Selling and distribution costs		**(241,276)**	(211,273)
General and administrative expenses		**(47,376)**	(47,035)
Research and development expenses		**(35,576)**	(35,781)
Provision for litigation	*13*	**–**	(2,307)
Equity-settled share-based payment expenses		**–**	(543)
Finance costs		**(783)**	(376)
Profit before taxation	*6*	**75,900**	43,287
Income tax expense	*7*	**(5,024)**	(4,775)
Profit for the year		**70,876**	38,512
Other comprehensive expense, net of tax			
Item that may be reclassified subsequently to profits or loss:			
Exchange differences arising on translation of foreign operations		**(3,281)**	(18,616)
Other comprehensive expense for the year		**(3,281)**	(18,616)
Total comprehensive income for the year		**67,595**	19,896
Earnings per share (HK cents)	*8*	***HK cents***	*HK cents*
Basic		**1.11**	0.61
Diluted		**1.11**	0.61

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2023

	Notes	At 31 December 2023 HK$'000	At 31 December 2022 HK$'000
Non-current assets			
Property, plant and equipment		**87,247**	41,850
Right-of-use assets		**16,834**	18,016
Intangible assets		**39,251**	24,119
Loan receivables — non-current portion		**9,238**	–
Deposits paid for the acquisition of property, plant and equipment		**15,473**	7,713
Deferred tax assets		**3,853**	432
		171,896	92,130
Current assets			
Inventories		**36,392**	33,852
Trade and other receivables	*10*	**66,165**	68,273
Loan receivables		**6,303**	–
Bank balances and cash		**129,236**	98,216
		238,096	200,341
Current liabilities			
Trade and other payables	*11*	**63,326**	44,811
Contract liabilities		**25,161**	21,813
Bank borrowings		**11,035**	11,194
Income tax payable		**2,179**	3,112
Lease liabilities		**4,230**	4,008
Amount due to a related party		**5,104**	5,186
Loan from a connected party		**3,432**	–
Amount due to a joint operation		**323**	131
		114,790	90,255
Net current assets		**123,306**	110,086
Total assets less current liabilities		**295,202**	202,216

	Notes	At 31 December 2023 HK$'000	At 31 December 2022 HK$'000
Non-current liabilities			
Bank borrowings		**30,612**	985
Deferred tax liabilities		**426**	–
Lease liabilities		**6,990**	7,470
		38,028	7,470
Net assets		**257,174**	194,746
Capital and reserves			
Share capital	*12*	**63,648**	63,648
Reserves		**193,526**	131,098
Total equity		**257,174**	194,746

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 2023

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosures of Accounting Policies
Amendments to HKAS 8	Disclosures of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules
HKFRS 17	Insurance Contracts

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 HK Interpretation 5 (2020), Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[1]
Amendments to HKAS 1	Non-current Liabilities with Covenants[1]
Amendments to HKAS 21	Lack of Exchangeability[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

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

[2] Effective for annual periods beginning on or after 1 January 2025.

[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 (2022: 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 2023

	Chemical pharmaceutical products *HK$'000*	**Biological pharmaceutical products** *HK$'000*	**Pipeline products** *HK$'000*	**Consolidated** *HK$'000*
Segment revenue				
External sales	**257,865**	**226,853**	**–**	**484,718**
Result				
Segment profit/(loss)	**73,723**	**30,496**	**(29,325)**	**74,894**
Other revenue				**13,644**
Unallocated administrative expenses				**(11,855)**
Finance costs				**(783)**
Profit before income tax expense				**75,900**

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

Segment result represents the results of each segment without allocation of other revenue, 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

	2023	2022
	HK$'000	*HK$'000*
Interest on bank deposits	**1,125**	1,297
Interest on loan receivables	**225**	227
Government grants *(Note i)*	**3,054**	4,328
Service income *(Note ii)*	**9,060**	2,729
Sundry income	**180**	67
COVID-19-related rent concessions	**–**	227
	13,644	8,648

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 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. No such government support programs were available for the year ended 31 December 2023.

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

6. PROFIT BEFORE TAXATION

	2023	2022
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging/(crediting):		
Staff costs (including directors' emoluments)		
Salaries, wages and other benefit	**80,282**	69,614
Discretionary bonuses	**3,366**	3,681
Retirement benefit scheme contribution	**17,402**	15,217
Equity-settled share-based payments	**–**	198
	101,050	88,710
Equity-settled share-based payments to consultants	**–**	345
Amortisation of intangible assets	**822**	861
Depreciation of property, plant and equipment	**11,281**	11,889
Depreciation of right-of-use assets	**4,779**	4,796
Less: Amortisation and depreciation included in research and development expenses	**(2,359)**	(5,675)
	14,523	12,803
Auditor's remuneration	**1,755**	1,816
Cost of inventories recognised as an expense	**91,900**	105,433
Research and development expenses	**51,950**	53,940
Less: Capitalisation on intangible assets	**(16,374)**	(18,159)
	35,576	35,781

7. INCOME TAX EXPENSE

	2023	2022
	HK$'000	*HK$'000*
PRC Enterprise Income Tax ("**EIT**")		
— Current year	**3,798**	3,949
— Under provision in prior years	**1,912**	1,275
	5,710	5,224
Withholding tax on unremitted earning	**2,331**	–
Deferred tax		
— Current year	**(3,017)**	(449)
	5,024	4,775

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% (2022: 15%) for both years with the expiration date of 18 October 2025 and 15 November 2026, respectively.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008. For the year ended 31 December 2023, there was around HK$2.33 million withholding tax included in the EIT of current year (2022: Nil).

8. EARNINGS PER SHARE

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

	2023	2022
	HK$'000	*HK$'000*
Profit		
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	**70,876**	38,512

	2023	2022
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**6,364,768**	6,360,659
Dilutive effect of potential ordinary shares: Share options	**–**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**6,364,768**	6,360,659

The computation of diluted earnings per share for the years ended 31 December 2023 and 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.

9. DIVIDEND

No dividend was paid, declared or proposed during 2023, nor has any dividend been proposed since the end of the reporting period (2022: Nil).

10. TRADE AND OTHER RECEIVABLES

	2023	2022
	HK$'000	*HK$'000*
Trade receivables	**39,832**	40,035
Less: Loss allowance	**(4,492)**	(3,556)
	35,340	36,479
Bills receivables	**17,878**	21,390
Deposit, prepayments and other receivables *(Note)*	**13,348**	10,574
Less: Loss allowance	**(401)**	(170)
	12,947	10,404
	66,165	68,273

As at 31 December 2023 and 2022, trade receivables from contracts with customers amounted to HK$35,340,000 and HK$36,479,000, respectively.

Note:

As at 31 December 2023, included in other receivables is an amount of HK$993,000 (equivalent to RMB900,000) (2022: Nil) due from a connected party. The amount is unsecured, non-interest bearing and repayable on demand.

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

	2023	2022
	HK$'000	*HK$'000*
0–90 days	**30,925**	28,599
91–120 days	**5,029**	4,014
121–180 days	**1,638**	3,118
181–360 days	**492**	818
Over 360 days	**1,748**	3,486
	39,832	40,035
Less: Loss allowance	**(4,492)**	(3,556)
	35,340	36,479

11. TRADE AND OTHER PAYABLES

	Notes	**2023**	2022
		HK$'000	*HK$'000*
Trade payables	*(i) & (ii)*	**9,313**	5,265
Other payables		**15,217**	11,591
Accruals		**38,796**	27,955
		63,326	44,811

Notes:

(i) The average credit period on purchases of goods is 120 days (2022: 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:

	2023	2022
	HK$'000	*HK$'000*
0–30 days	**7,536**	2,936
31–60 days	**124**	461
61–90 days	**561**	241
Over 90 days	**1,092**	1,627
	9,313	5,265

12. SHARE CAPITAL

	Notes	**Number of shares**	**Amount** *HK$'000*
Ordinary shares of HK$0.01 each			
Authorised:			
At 1 January 2022, 31 December 2022 and 31 December 2023		500,000,000,000	5,000,000
Issued and fully paid:			
At 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, 1 January 2023 and 31 December 2023		6,364,768,147	63,648

Notes:

(i) During the year ended 31 December 2023, the Company paid in aggregate HK$5,167,000 to buy back 86,000,000 ordinary shares of HK$0.01 each from the Stock Exchange from 13 December 2023 to 29 December 2023, at the highest price of HK$0.069 and the lowest price of HK$0.052 per share. As at 31 December 2023, 86,000,000 of the repurchased Shares has not been cancelled.

(ii) For the years ended 31 December 2023 and 2022, 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.

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 2023.

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

Hong Kong, 27 March 2024

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.