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)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2024

HIGHLIGHTS FOR THE PERIOD ENDED 30 JUNE 2024

- For the period ended 30 June 2024 (the "**Period**"), the Group's revenue achieved an increase of 9.5% year-on-year ("**YoY**") to approximately HK$273.6 million, whilst improving gross profit margin by 4.7 percentage points to 84.3%.
- The Group achieved a record-breaking profit of approximately HK$67.4 million for the Period, representing a significant increase of 71.0% YoY, underscoring the Group's effective strategies and operational efficiency.
- The successful renewal of centralized procurement for Pinup® significantly increased revenue from hospitals, sales of Pinup® registered an increase of 12.8% YoY.
- The Group launched Bogutai® in March 2024 and it made an immediate financial contribution, achieving sales of HK$18.8 million in just four months.
- During the Period, general and administrative expenses as percentage of revenue decreased from 9.4% to 8.7%, which demonstrated the Group's continuous emphasis on stringent cost control.
- In January 2024, the China National Medical Products Administration ("**NMPA**") accepted the marketing application for Diquafosol Sodium eye drops, marking a significant advancement for the Group's ophthalmology drug portfolio.
- The Group officially launched its first advanced skincare product, Skbrella™ FN, with sales contributions expected to begin in the second half of 2024.
- The Group is dedicated to the research and promotion of Esaconazole sulfoate capsules, the pharmaceutical research of Esaconazole sulfoate capsules was completed during the Period and the Group is preparing to conduct pre-Bioequivalence studies.

* *For identification purposes only*

The board (the "**Board**") of directors (the "**Directors**") of the Uni-Bio Science Group Limited (the "**Company**", together with its subsidiaries, the "**Group**" or "**Uni-Bio**") is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2024 (the "**1H2024**" or the "**Period**") as follows:

KEY FINANCIAL HIGHLIGHTS

For the six months ended 30 June (Unaudited)

	2024	2023
Revenue *(HK$'000)*	**273,615**	249,933
Gross profit *(HK$'000)*	**230,588**	198,854
R&D expenses (including capitalised portion) *(HK$'000)*	**23,312**	23,025
Profit before taxation	**71,543**	43,395
EBITDA *(HK$'000)*	**82,734**	51,564
Gross profit margin *(%)*	**84.3%**	79.6%
R&D costs (including capitalised portion) to revenue (%)	**8.5%**	9.2%
As at 30 June/31 December		
Cash ratio *(times)*	**1.30**	1.13
Current ratio *(times)*	**2.50**	2.07
Trade payable turnover days *(days)*	**45**	29
Trade receivables turnover days *(days)*	**29**	30
Inventory turnover days *(days)*	**162**	142
Debt-to-equity ratio *(%)*	**55.8%**	59.4%
Total assets turnover *(%)*	**56.2%**	118.2%

UNAUDITED FINANCIAL FIGURES BASED ON REPORTABLE SEGMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024 AND 2023

	Period ended 30 June		
	2024	2023	
	HK$'000	*HK$'000*	**Change**
Revenue from sales of marketed biological and chemical pharmaceutical products	**273,615**	249,933	9.5%
Cost of sales	**(43,027)**	(51,079)	-15.8%
Gross profit	**230,588**	198,854	16.0%
Other net losses	**(2,623)**	(225)	1,065.8%
Selling and distribution expenses	**(117,046)**	(126,247)	-7.3%
General and administrative and other expenses	**(23,706)**	(23,486)	0.9%
Operating profit from marketed biological and chemical pharmaceutical products	**87,213**	54,675	59.5%
Other revenue	**5,485**	6,666	-17.7%
Research and development costs	**(20,890)**	(11,740)	77.9%
Finance costs	**(265)**	(427)	-37.9%
Profit before taxation	**71,543**	43,395	64.9%

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In the first half of 2024, China's pharmaceutical industry experienced continued progress, driven by favorable policies such as accelerated drug approvals and expanded medical insurance coverage. These developments encouraged innovation and reduced competition. Despite stricter hospital governance, the Chinese government's support for standardized medical activities benefitted long-term sustainable development growth.

The biopharmaceutical sector emphasized quality and efficiency, with significant progress in innovation and commercialization. The Chinese government improved the price formation mechanism for innovative drugs and supported the industry's development, focusing on clinical needs and differentiation. Regulatory improvements and expanded centralized procurement created a favorable environment for competitive companies.

The biopharmaceutical industry saw a rise in innovative drug approvals, with 44 new drugs, including 23 innovative ones, approved in 2024. Additionally, the medical aesthetics market in China continued to grow, reaching RMB267 billion in 2023 and projected to expand to RMB288 billion in 2024, driven by consumer demand and technological advancements.

BUSINESS REVIEW

Uni-Bio Science Group — 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 30 June 2024, the Group has launched five drugs into the market, namely GeneTime®, GeneSoft®, Pinup®, Boshutai® and Bogutai®.

KEY ACCOMPLISHMENTS IN THE FIRST HALF OF 2024

Impressive Profit Growth of 71.0%

In the first half of 2024, the Group demonstrated a robust upward trajectory in both revenue and profit, despite the more cautious procurement strategies adopted by public hospitals due to stricter governance. This growth was bolstered by the strategic launch of targeted marketing campaigns by its direct sales team, leading to the successful debut of the Group's fifth marketed drug, Bogutai®, in March 2024, which made an immediate financial contribution. Additionally, the successful renewal of centralized procurement for Pinup® significantly increased revenue from hospitals. Thanks to the Group's ongoing cost control measures and supply chain optimization, the Group has achieved higher margins.

The Group's revenue for the first half of 2024 saw a 9.5% year-on-year ("**YoY**") increase, reaching approximately HK$273.6 million. Profit for the Period surged by an astounding 71.0% YoY, reaching approximately HK$67.4 million. These results highlight the Group's strong position as a profitable, research-driven biopharmaceutical company and its commitment to continuous product diversification.

The Launch of Bogutai® Signifying New Era in Osteoporosis Treatment

In January 2024, the China National Medical Products Administration ("**NMPA**") granted official approval for Bogutai®'s marketing launch, marking a pivotal milestone for the Group in orthopedic disease management. As the Group's fifth marketed product, Bogutai® (teriparatide injection) distinguishes itself as the first domestically produced disposable pre-filled pen teriparatide injection. Supported by a state-of-the-art pre-filled sterile injection production line in Beijing, capable of production up to 11,000 pre-filled syringe units per hour, the Group is well-prepared for Bogutai®'s long-term supply to the market.

Sales of Bogutai® commenced in the first half of 2024. The market response exceeded expectations with a patient repurchase rate exceeding 65% and increasing popularity across various cities, thanks to the Group's direct sales team. During the Period, the Group actively engaged in academic promotion, hosting nearly 400 national and regional academic conferences and activities to enhance osteoporosis prevention and treatment. The Group also launched public welfare initiatives to enhance public health awareness and disease prevention. These included donations to help economically disadvantaged osteoporosis patients, benefiting over a thousand individuals, and free medical treatment and education and popular science activities, benefiting over a thousand individuals, to improve osteoporosis prevention and quality of life for the elderly.

The Group is gearing up for Bogutai®'s fourth clinical research and real-world study, focusing on fracture prevention, accelerated healing, and pain relief. Collaborative trials with hospitals aim to boost competitiveness and generate valuable research data. Additionally, the Group is preparing to apply for U.S. Food and Drug Administration (FDA) approval for Bogutai®. With its superior safety profile and competitive pricing, Bogutai® promises to revolutionize global drug administration, making it more accessible and patient-friendly.

Enhancing Ophthalmology Portfolio with Diquafosol Sodium Eye Drops

In January 2024, the NMPA accepted the marketing application for Diquafosol Sodium eye drops, marking a significant advancement for the Group's ophthalmology drug portfolio. This approval aligns with the Group's strategy to address the high demand in China's ophthalmic drug market, where over 360 million patients suffer from dry eye syndrome. The market for dry eye medication is expected to exceed RMB42 billion by 2030, growing at a 28.4% CAGR.

Diquafosol Sodium emerges as a groundbreaking solution, addressing tear layer normalization and alleviating corneal epithelial damage. Utilizing Blow-Fill-Seal ("**BFS**") technology, the new production facility in Dongguan ensures high-quality, preservative-free, single-dose packaging, enhancing patient convenience. The Group's strategic collaborations with Active Pharmaceutical Ingredients ("**API**") manufacturers have secured cost-effective API, significantly below market averages, ensuring exceptional quality and economic efficiency. Diquafosol Sodium is anticipated to receive marketing approval in the first quarter of 2025, complementing the existing ophthalmic drug portfolio and becoming one of the first BFS Diquafosol products to be listed.

R&D and Pipeline Progress

During the Period, 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 (oral)	Osteoporosis	✔	✔						
Uni-PTH (microneedle)	Osteoporosis	✔	✔						
UB105	Type 2 Diabetes	✔							
UB106 (long-acting)	Obesity	✔							
Ophthalmology									
EGF (single-dose eye drops)	Cornea Repair	✔	✔						
UB102	AMD	✔							
Wound Healing									
EGF (hydrogel)	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 — Innovative Formulation Expansion

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 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. In January 2024, Bogutai® was officially approved for marketing by NMPA and the sales had commenced in the first half of 2024. Currently, the development of the 3rd Generation oral form Uni-PTH is under preparation for data collecting and microneedle form Uni-PTH is under development.

EGF — Innovative Formulation Expansion

The Group's flagship product, GeneTime®, is a prescription biological drug for wound healing, which is well-established in the domestic market for burn and trauma treatment. However, the solution formulation tends to cover a larger area when sprayed on small wounds, diminishing its effectiveness. To address this, the Group is developing a new thermosensitive gel for external use. Unlike traditional gels, thermosensitive gel remains liquid at low temperatures and solidifies at room temperature. This product boasts excellent fluidity before application, allowing it to fill wounds effectively. Additionally, the gel layer creates a barrier between the wound and the environment, significantly reducing the risk of infection. The Group aims to complete the formulation research and process development by the end of 2024, followed by pharmaceutical and non-clinical studies, and submit an Investigational New Drug ("**IND**") application in 2026. The addition of the EGF — hydrogel wound dressing will further enriches the Group's product pipeline, providing patients with a full-range solution from treatment to recovery.

UB102 — DOTBODY™ Molecule in wAMD

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 4.8 million in 2030. The Group believes that there is a significant commercial demand for the treatment of wet AMD.

UB105 — A Novel Oral Hypoglycemic Drug

The American Diabetes Association (ADA) 2024 emphasizes that for overweight or obese patients with type 2 diabetes, the primary and joint goals in disease management should be weight loss and blood glucose control. Emerging clinical data demonstrates that GLP-1/GIP/GCG triple receptors agonist not only suppresses gastric acid secretion and delays gastric emptying but also reduces food intake, enhances energy expenditure, stimulates insulin release, and preserves β-cells. This leads to effective weight loss and improved glucose tolerance. Consequently, our group is utilizing our proprietary peptide biosynthesis process, along with advanced oral preparation technology, to develop UB105, a novel oral hypoglycemic drug. This drug stands out among similar products in the market due to its potentially low API cost, giving it a distinct competitive edge.

UB106 — New Target Antibody in Obesity

In May of this year, the Group proudly announced a project cooperation agreement with Greater Bay Bio (GBB) and Pebble Accelerator, a subsidiary of Tigermed. This agreement focuses on the joint development of innovative weight reduction drugs, aiming to revolutionize the treatment of obesity. Through this collaboration, we seek to establish a comprehensive ecological industry chain, spanning from target discovery to antibody generation, druggability verification, process development, clinical pipeline, and ultimately, commercialization. This partnership not only underscores the Group's longstanding expertise in the endocrine field but also promises to deliver significant benefits to the vast population of overweight and obese patients.

The new target antibody drugs emerging from this collaboration are strategically designed to directly address multiple critical issues such as gastrointestinal side effects, pancreatitis, elevated suicide risk, weight regain after drug discontinuation, muscle loss, and frequent dosing requirements. By combining our respective strengths, we are committed to advancing this groundbreaking new target antibody drug into clinical trials and expediting its journey to market.

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 collagen, beauty peptides, 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	Product Development	Formulation Development	Marketed
Collagen	✔	✔	✔	
Beauty peptides	✔	✔		
Microecological skin-care product	✔	✔		
Stem cell exosome product	✔	✔		

Collagen

Collagen, the group's second new cosmetic raw material after the launch of fibronectin, 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, the Group's collaborative collagen class-II medical device product with Chongqing Minji is planned to be launch in 2024.

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.

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. The Group's collaboration with NAMI (Nano and Advanced Materials Institute Limited) in Hong Kong is progressing smoothly, with the transformation of results anticipated to commence in 2025.

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. Supported by the Hong Kong Science Park Research Fund, the project aims to combine fibronectin and exosome technologies to develop medical device products for wound healing and medical beauty applications.

High Value Generic Products and Bioequivalence Studies

Product	Indication	Status	Remark
Ophthalmology			
Diquafosol sodium eye drops	Dry eye disease	Abbreviated New Drug Application ("**ANDA**") review in progress	
Anti-infection			
Esaconazole sulfoate capsules	Fungal infection	Pharmaceutical research in progress	

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.

In 2023, the Group doubled its ophthalmology 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 BFS technology for a seamless and aseptic process from bottle creation to filling and sealing. Furthermore, the Group established strategic partnerships with 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.

Esaconazole Sulfoate Capsules Project

According to market research data, the global antifungal drug market is expected to grow at a CAGR of approximately 8% over the next five years, with the market size expected to exceed $20 billion by 2028. The Group's Pinup® (voriconazole), a triazole antifungal drugs, used to treat Invasive Aspergillosis ("**IA**") and other fungal infections. Esaconazole sulfoate capsules, a novel triazole antifungal, is currently the only drug indicated for both IA and Invasive Mucormycosis ("**IM**"). Statistical data shows that the global sales of Esaconazole sulfoate capsules reached US$363 million from October 2021 to September 2022, an increase of 19% YoY. In 2023, national hospital sales exceeded RMB14.7 million, an increase of 166.56% YoY. Esaconazole sulfoate capsules has been included in the list of medicines covered by the national medical insurance coverage in 2024, which will enable it to rapidly capture market share.

The Group is dedicated to the research and promotion of Esaconazole sulfoate capsules, providing more effective antifungal treatment options for patients worldwide and improving their quality of life. During the Period, the Group completed the pharmaceutical research and is preparing to conduct pre-Bioequivalence studies, with the official market launch expected in the first half of 2027.

RESULTS OVERVIEW

For the Period, the Group recorded revenue of approximately HK$273.6 million, representing an increase of 9.5% YoY. The increase in revenue was mainly attributable to the sales growth of Pinup® and the Group's newly launched product Bogutai®.

Cost of sales for the Period decreased by 15.8% to approximately HK$43.0 million for the first half of 2024 from approximately HK$51.1 million in 2023. The decrease was attributable to the Group's ongoing efforts in optimizing its supply chain and effectively lowering the procurement cost of API. As a result, gross profit amounted to approximately HK$230.6 million, representing an increase of 16.0% as compared with the first half of 2023 and gross profit margin increased by 4.7 percentage points YoY to 84.3%. The Group kept a tight rein on general and administrative expenses, which only accounted for 8.7% of revenue for the Period as compared with 9.4% for the same period last year. Selling and distribution expenses for the Period also decreased to 42.8% of revenue from 50.5% that of the same period last year, mainly due to the marketing expenses of Pinup® decreased and the Group's further optimization of its salesforce. The R&D expenses increased by 77.9% YoY to approximately HK$20.9 million and the amount was in step with the Group's product research status.

The Group achieved a record-breaking profit of approximately HK$67.4 million for the Period, representing a significant increase of 71.0% YoY. This exceptional performance underscores the Group's effective strategies and operational efficiency. The earnings per share reached approximately HK$1.09 cents, reflecting a robust growth of 75.8% YoY.

Marketed products sales

GeneTime®

The Group's flagship product, GeneTime®, is a prescription biological drug for wound healing. During the Period, revenue generated from GeneTime® was approximately HK$91.3 million, representing a decrease of 4.8% YoY, mainly due to the more cautious procurement strategies adopted by public hospitals due to stricter governance. Yet, the Group continues to diversify its sales channel, such as e-commerce platforms, online hospitals and pharmacies. With the enhanced sales network, the Group is confident in regaining growth momentum and achieving a full-year growth.

GeneSoft®

GeneSoft® is a therapeutic drug for dry eye syndrome, corneal damage and post-operative healing. During the Period, GeneSoft® recorded a decrease in revenue from approximately HK$22.3 million to approximately HK$18.9 million, representing a decrease of 15.4% YoY. Currently, the Group is preparing for GeneSoft®'s inclusion in medical insurance coverage, a strategic step designed to open up new growth opportunities.

Pinup®

The Group's self-developed chemical pharmaceutical product Pinup® (Voriconazole tablets) recorded an increase of 12.8% in revenue from approximately HK$124.8 million to approximately HK$140.9 million for the Period. The increase was attributable to the successfully re-selected for the centralized procurement and the procurement validity period is set for two years. It is expected that the Group will quickly obtain new in-hospital sales, reaching higher economies of scale in the future.

Boshutai®

The Group's product Boshutai® (Acarbose tablet) is a small molecule drug to treat diabetes, launched in early 2021. Confronted with intense market competition, the Group initiated an inventory clearance process and scaled back its sales efforts. During the Period, revenue from Boshutai® declined from approximately HK$6.9 million to approximately HK$3.8 million, representing a decrease of 45.7%.

Bogutai®

The Group's newly launched product Bogutai® (teriparatide injection) is effective in treating osteoporosis and bone pain. With its launch in March 2024, Bogutai® achieved sales of HK$18.8 million in just four months, exceeding initial expectations. 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. Since 2023, the Group has been investing abundant resources to expand its sales force and promotion activities among medical professionals and patients, aiming to increase its market penetration. Bogutai® sales team has achieved a patient repurchase rate exceeding 65% and seen a growing popularity of the drug among targeted communities.

Skbrella™ FN

The Group officially launched its first advanced skincare product, Skbrella™ FN, with sales contributions expected to begin in the second half of the year. Skbrella™ FN has been demonstrated to match the effectiveness of natural fibronectin, a multifunctional extracellular matrix glycoprotein that plays a crucial role in cell migration, adhesion, proliferation, hemostasis, and tissue repair. In skincare, fibronectin is safe and effective for repairing skin barriers, making it ideal for treating damaged, acne-prone, and sensitive skin, as well as post-procedure care. Skbrella™ FN is an advanced skincare product that meets pharmaceutical-grade standards. The Group is leveraging endorsements from key opinion leaders (KOLs) in dermatology and capitalizing on the synergistic effects of Skbrella™ FN and EGF to enhance the brand's professionalism and market appeal.

FINANCIAL PERFORMANCE REVIEW

Turnover

Sales Developments

For the six months ended 30 June 2024, the Group recorded a revenue of approximately HK$273.6 million, representing an increase of 9.5% YoY.

Biopharmaceutical Products

The Group's biopharmaceutical products include GeneTime® (EGF spray indicated for wound healing), GeneSoft® (EGF-derivative eye drop indicated for corneal damage and post-operative healing) and Bogutai® (teriparatide injection). During the Period, biological pharmaceutical products recorded approximately HK$129.0 million of sales, representing an increase of 9.2% compared with the same period of last year. Biopharmaceutical products represented 47.1% of total sales for the Period.

Chemical pharmaceutical products

The Group's high-value generic products include Pinup® (Voriconazole tablets which is tailored to treat severe fungal infection) and Boshutai® (Acarbose tablet). During the Period, the segment achieved a revenue of approximately HK$144.6 million, representing an increase of 9.8% compared with the same period of last year.

Gross Profit and Gross Profit Margin

During the Period, gross profit was approximately HK$230.6 million, representing an increase of 16.0% as compared with approximately HK$198.9 million for the first half of 2023. The increase in gross profit was mainly led by the increase of revenue generated from the Group's main products. Gross profit margin increased by 4.7 percentage points from 79.6% for the first half of 2023 to 84.3%. The Group has optimized its supply chain in order to strengthen its competitiveness in raw materials procurement and achieve stronger economies of scale.

Selling and Distribution Expenses

During the Period, selling and distribution expenses was approximately HK$117.0 million, representing a decrease of 7.3% from approximately HK$126.2 million for the same period of 2023. The percentage of selling expenses over revenue decreased to 42.8% for the first half of 2024 from 50.5% for the same period last year. The decrease was primarily attributable to the renewed centralized procurement bid of Pinup®, thereby reduced marketing expenses.

Research and Development Expenses

Research and development expenses for the first half of 2024 was approximately HK$20.9 million, representing an increase of 77.9% from approximately HK$11.7 million for the same period of 2023. The Group has initiated and carried on with multiple R&D projects during the Period, including the EGF — Hydrogel Wound Dressing and Isavuconazonium Sulfate Project. The Group will continue to build on its strategy of focusing on endocrinology, ophthalmology, and dermatology fields.

General and Administrative Expenses

For the Period, general and administrative expenses was approximately HK$23.7 million, representing a slight increase of 0.9% from approximately HK$23.5 million for the same period of 2023. The expenses accounted for 8.7% of revenue as compared with 9.4% for the same period of last year, which demonstrated the Group's continuous emphasis on stringent cost control.

Other Revenue

Other revenue for the Period was approximately HK$5.5 million, representing a decrease of 17.7% when compared with approximately HK$6.7 million for the same period of last year. The decrease was mainly attributable to a decrease in revenue from certain non-operating items, such as government subsidies, while the CMO business continued to grow modestly.

Profit for the Period

Profit for the Period soared from approximately HK$39.4 million in the first half of 2023 to approximately HK$67.4 million, representing a significant increase of 71.0%. The substantial profit increase, driven by the launch of a new drug, the organic growth of marketed drugs, effective marketing strategies, strict cost control and ongoing supply chain optimization. This indicates that the Group is on the right path for sustainable profit growth.

PROSPECTS

Outlook

With advancements in biotechnology and strong governmental backing, the pharmaceutical landscape in China is poised for significant growth with a compound annual growth rate ("**CAGR**") of 7.5% from 2024 to 2032, according to Imarc Group. This growth is fueled not only by technological progress but also by the expanding elderly demographic, which is more prone to chronic conditions like diabetes, thereby driving up pharmaceutical demand.

Alongside traditional pharmaceuticals, the aesthetic medical sector is gaining prominence in the market. Forecasts indicate that the aesthetic medical market is set to sustain a CAGR growth of 10% to 15% between 2024 and 2027. This growth is primarily attributable to the increasing emphasis on beauty standards and the increased spending in this domain, particularly by individuals with moderate to high incomes.

As one of the leading biopharmaceutical companies in China, the Group remains dedicated to pushing the boundaries of innovation and actively seizing the expanding prospects within the pharmaceutical and aesthetic medical sectors. With a commitment to rapid advancement and a strategic focus on sustainable growth, the Group is poised to solidify its position in these evolving industries.

Specialized R&D Platform Fuels Growth in Biopharmaceutical Innovation

The Group has established a highly commercial-driven and specialized boutique R&D platform focusing on diabetes and related metabolic disorders, dermatology and ophthalmology, tightly integrating research and production under one roof. The organic growth of the Group's existing products and the future launches of high value generic and aesthetic medical products will continue to provide strong cash flow for the Group's ongoing R&D on innovative biopharmaceutical products.

Recent advancements in various drug applications have broadened the Group's scope from diabetes and orthopedics to include antibodies, such as UB106 for obesity, and the utilization of Esaconazole sulfoate capsules for antifungal purposes. To expedite development, the Group has been working with technology companies upstream and downstream (e.g. discovery companies and clinical research), to accelerate these innovative products to market.

Furthermore, the Group is exploring opportunities in the aesthetic medical industry, propelled by confidence in its prospects and the rising demand for beauty products. By collaborating with esteemed industry players, the Group is accelerating its development in skincare raw materials and delving into the devices segment, laying a strong foundation for the Group to tap into the medical devices industry in the future. It is anticipated that the Group will generate over RMB30 million per annum in revenue from the aesthetic medical segment, encompassing class II medical devices, fibronectin skin care products, and skincare raw materials, within the next two to three years. To achieve this goal, the Group has been establishing a dedicated sales team for product promotion and market expansion. By harnessing new media channels and fostering strong partnerships with offline medical aesthetic centers and clinics, the Group seeks to effectively connect with target consumers, strengthen brand recognition, and enhance market share.

The Group continues to differentiate itself through its advanced synthetic biology and hydrogel technology platforms. The Group's R&D center utilizes its synthetic biology technology platform to enhance Escherichia coli for efficient vesicle-mediated protein secretion, extending cell lifespans and enabling cost-effective, kilogram-level production of biological peptides. Concurrently, the Group's hydrogel technology platform excels in drug delivery, developing hydrogels that transition to a semi-solid state for extended drug residence and controlled release. Notably, their temperature-sensitive hydrogel for EGF products ensures precise dosing and sustained release, accelerating wound healing and reducing scar formation. This innovative gel exhibits exceptional fluidity before application, allowing it to effectively fill wounds and create a protective barrier against air exposure, thereby preventing germ infections. The Group remains keen on investing further in specialized peptide preparation technology, with examples encompassing akin to hydrogel technology, oral delivery and microneedle/transdermal drug delivery technologies. Despite potential increases in R&D expenses, the Group recognizes these investments as vital for long-term value creation.

Establishing an Omnichannel Strategy from Offline to Online

Internet healthcare has garnered increasing attention from pharmaceutical brands in recent years. Online medical platforms not only expand market coverage and enhance brand influence but also optimize supply chain management, improve patient service quality, and boost sales efficiency. The Group has been actively extending its offline sales channels to the online platform. This year, the Group established an official GeneTime® flagship store on JD.com and forged partnerships with over 200 online distributors. This strategic move enables the Group to break through regional limitations and reach a wider customer base. By leveraging online personalized marketing strategies, the Group is able to effectively target specific patient groups, thereby enhancing sales conversions while reducing costs.

In addition to the e-commerce channel, the Group has collaborated with internet hospitals, which offer a comprehensive service cycle, encompassing online consultations, prescriptions, pharmacist reviews, patient payments, and offline pharmacy deliveries. Through such collaborations, the Group will boost its product exposure, brand awareness, and gain patient trust.

Furthermore, the Group has continued to fortify its offline channels by partnering with top 100 national chain stores and retailers renowned for strong brand presence and customer trust. By leveraging their networks, the Group can swiftly expand its reach to a broader patient base, enhancing market acceptance of its products. Exploring collaborations with third-party retailers in community and rural areas also presents additional opportunities for the Group to tap into grassroots markets and engage more potential customers, particularly in remote regions and non-first-tier cities. This approach bridges the coverage gaps of major chain pharmacies.

The Group is confident that leveraging an omnichannel strategy will further bolster product sales and establish a robust foundation for the future launch of upcoming products.

Boosting Production Capacity with New Guangdong Facility

To meet the growing demand for both new and existing products, the Group has focused on enhancing its production capacity. Construction of a new factory in Dongguan, Guangdong, has made significant progress during this period. The state-of-the-art facility includes a 4,300 square foot GMP standard production building and two 1,300 square foot GMP standard storage buildings. At the end of June, the batch scale-up trial production of the EGF raw liquid using the new technology was completed, and the formal production is scheduled to start in September 2024. These enhancements enable the factory to produce up to 19 million units per year of the Group's signature products, GeneTime® and GeneSoft®, representing an annual production value exceeding RMB1 billion.

The facility also features a BFS packaging line for the production of single-dose GeneSoft® and Diquafosol Sodium Eye Drops, which are safer, more convenient, and command a high market premium, positioning them as new growth drivers for the Group's EGF products. The BFS packaging research and archival filing are expected to conclude by 2025, with the launch of GeneSoft® and Diquafosol Sodium Eye Drops in BFS packaging anticipated in 2026.

Collaboration with Chongqing Minji to Further Penetrate the Medical Aesthetic Device Market

In early July 2024, the Group and Chongqing Minji Medical Device Co., Ltd. ("**Chongqing Minji**") have entered into a strategic cooperation to propel the Group's expansion into the medical aesthetic device sector and fortify its long-term strategy spanning biopharmaceuticals and medical aesthetics. Leveraging Chongqing Minji's expertise in the area of aesthetic medical device, together with the Group's extensive network. the partnership envisions a novel business model merging biopharmaceuticals and medical devices to cater to diverse market demands, thus enhancing the Group's product portfolio.

Through this collaboration, the Group has secured exclusive distribution rights for a Chongqing Minji's premier product, a hydrogel wound dressing that complements GeneTime®, further diversifying the Group's product offerings. This addition extends the Group's product pipeline, providing patients with a comprehensive solution from treatment to recovery. Additionally, the Group gains exclusive distribution rights for Chongqing Minji's forthcoming collagen liquid dressing, a class II medical device catering to upscale demands in medical aesthetics and daily skincare. This aligns with the Group's proprietary medical aesthetic product pipeline, which includes fibronectin repair fluids and essences.

The collaboration will also focus on developing medical device products leveraging the Group's patented core ingredient, Skbrella™ FN, a highly active recombinant human fibronectin. This joint initiative aims to introduce China's first batch of class II medical devices utilizing fibronectin, bolstering the Group's leadership in skincare and medical aesthetics. Furthermore, the Group holds the option to deepen its strategic partnership with Chongqing Minji through potential investment or acquisition within the next 24 months. This opportunity positions the Group to advance technological innovation and expand its presence in biopharmaceuticals, high-end medical devices, and medical aesthetics.

Liquidity and Financial Resources

As at 30 June 2024, the Group's bank deposits, bank balances and cash amounted to approximately HK$153,964,000. The Group had total assets of approximately HK$487,086,000 (as at 31 December 2023: HK$409,992,000), and current assets of approximately HK$296,352,000 (as at 31 December 2023: HK$238,096,000), while current liabilities were at HK$118,316,000 as at 30 June 2024 (as at 31 December 2023: HK$114,790,000). The total liabilities to total assets ratio is 35.8% as at 30 June 2024 (as at 31 December 2023: 37.3%).

Significant Investments and Future Plans for Material Investments or Capital Assets

During the six months ended 30 June 2024, the Group did not have any significant investments or future plans for material investments or capital assets.

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 six months ended 30 June 2024.

Charges on assets

As at 30 June 2024, 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$16.3 million (31 December 2023: approximately HK$17.4 million) were pledged to banks as securities for borrowings granted to the Group.

Employment and Remuneration Policy

As at 30 June 2024, the Group employed 458 employees, including 32 employees in the PRC R&D department, 216 employees in the PRC production department, 140 employees in the PRC commercial office, and eight 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.

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 six months ended 30 June 2024.

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 six months ended 30 June 2024.

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 for the six months ended 30 June 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 30 June 2024.

Events after the Reporting Period

There are no significant subsequent events after the Reporting Period.

Interim Dividend

The Board does not recommend any interim dividend for the six months ended 30 June 2024.

Audit Committee

The audit committee currently comprises the three independent non-executive Directors, namely Mr. Chow Kai Ming, Mr. Ren Qimin and Mr. Ma Qinshan. The audit committee has reviewed the unaudited consolidated financial statements of the Group of the six months ended 30 June 2024.

Publication of the Consolidated Results and 2024 Interim Report on the Websites of the Stock Exchange and the Company

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.uni-bioscience.com). The interim report for the six months ended 30 June 2024 will be dispatched to the Shareholders and published on the aforementioned websites in due course.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

		Unaudited Six months ended 30 June	
		2024	2023
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**273,615**	249,933
Cost of sales		**(43,027)**	(51,079)
Gross profit		**230,588**	198,854
Other revenue		**5,485**	6,666
Other net losses		**(2,623)**	(225)
Selling and distribution costs		**(117,046)**	(126,247)
General and administrative expenses		**(23,706)**	(23,486)
Research and development costs		**(20,890)**	(11,740)
Profit from operation		**71,808**	43,822
Finance costs		**(265)**	(427)
Profit before taxation	*4*	**71,543**	43,395
Income tax expense	*6*	**(4,161)**	(3,994)
Profit for the period		**67,382**	39,401
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation on foreign operations		**(2,070)**	(9,388)
Other comprehensive loss for the period		**(2,070)**	(9,388)
Total comprehensive income for the period		**65,312**	30,013
Earnings per share *(HK cents)*			
— Basic and diluted	*7*	**1.09**	0.62

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	Notes	**Unaudited 30 June 2024** ***HK$'000***	Audited 31 December 2023 *HK$'000*
Non-current assets			
Property, plant and equipment	*8*	**99,757**	87,247
Right-of-use assets	*9*	**14,283**	16,834
Intangible assets	*10*	**39,193**	39,251
Deposits paid for the acquisition of property, plant and equipment		**16,338**	15,473
Loan receivables — non-current portion		**15,527**	9,238
Deferred tax assets		**5,634**	3,853
		190,734	171,896
Current assets			
Inventories		**40,156**	36,392
Trade and other receivables	*11*	**71,979**	66,165
Loan receivables — current portion		**19,296**	6,303
Financial assets at fair value through profit and loss		**10,957**	–
Bank balances and cash		**153,964**	129,236
		296,352	238,096
Current liabilities			
Trade and other payables	*12*	**57,123**	63,326
Contract liabilities		**18,117**	25,161
Bank borrowings		**32,870**	11,035
Income tax payable		**2,164**	2,179
Lease liabilities	*9*	**2,688**	4,230
Loan from a connected party		**–**	3,432
Amount due to a related party		**5,031**	5,104
Amount due to a joint operation		**323**	323
		118,316	114,790
Net current assets		**178,036**	123,306
Total assets less current liabilities		**368,770**	295,202

	Notes	**Unaudited 30 June 2024** ***HK$'000***	Audited 31 December 2023 *HK$'000*
Non-current liability			
Bank borrowings		**49,604**	30,612
Lease liabilities	*9*	**6,513**	6,990
Deferred tax liabilities		**–**	426
		56,117	38,028
NET ASSETS		**312,653**	257,174
Capital and reserves			
Share capital	*13*	**61,636**	63,648
Reserves		**251,017**	193,526
TOTAL EQUITY		**312,653**	257,174

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Unaudited Six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
Net cash from operating activities	**54,062**	30,360
Net cash used in investing activities	**(35,800)**	(19,721)
Net cash from financing activities	**25,329**	643
Net increase in cash and cash equivalents	**43,591**	11,282
Cash and cash equivalents at the beginning of the period	**129,236**	98,216
Net effect of foreign exchange rate changes	**(18,863)**	(13,665)
Cash and cash equivalents at the end of the period, represented by bank balances and cash	**153,964**	95,833

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company							
	Share capital *HK$'000*	Share premium *HK$'000*	Treasury stock *HK$'000*	Share-based payment reserve *HK$'000*	Distributable reserve *(Note a)* *HK$'000*	Exchange reserve *(Note b)* *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*
At 1 January 2023 (audited)	63,648	751,756	–	41,015	1,291,798	37,686	(1,991,157)	194,746
Other comprehensive loss for the period	–	–	–	–	–	(9,388)	–	(9,388)
Profit for the period	–	–	–	–	–	–	39,401	39,401
Total comprehensive income for the period	–	–	–	–	–	(9,388)	39,401	30,013
At 30 June 2023 (unaudited)	63,648	751,756	–	41,015	1,291,798	28,298	(1,951,756)	224,759
At 1 January 2024 (audited)	**63,648**	**751,756**	**(5,167)**	**41,015**	**1,291,798**	**34,405**	**(1,920,281)**	**257,174**
Other comprehensive loss for the period	**–**	**–**	**–**	**–**	**–**	**(2,070)**	**–**	**(2,070)**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**67,382**	**67,382**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**(2,070)**	**67,382**	**65,312**
Reduction of share capital	**(2,012)**	**(7,821)**	**–**	**–**	**–**	**–**	**–**	**(9,833)**
At 30 June 2024 (unaudited)	**61,636**	**743,935**	**(5,167)**	**41,015**	**1,291,798**	**32,335**	**(1,852,899)**	**312,653**

Note a: The distributable reserve represents credit arising from Capital Reorganisation effected by the Company during the year ended 31 March 2010. Under the Company Law (revised) of the Cayman Islands, share premium is distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of share premium if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital accounts.

Note b: Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currency to the Group's presentation currency (i.e. Hong Kong dollars) are recognised directly in other comprehensive income and accumulated in the exchange translation reserve. Such exchange differences accumulated in the exchange translation reserve are reclassified to profit or loss on the disposal of the foreign operations.

NOTES TO CONDENSED ACCOUNTS

1. ORGANISATION

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 its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. Its principal place of business is located at Unit 502, 5/F, No. 20 Science Park East Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong.

The Group is principally engaged in bioscience related business with focus on the research, development and commercialization of biopharmaceutical products through recombinant DNA and other technologies.

2. BASIS OF PREPARATION AND PRINCIPAL POLICIES

The unaudited condensed consolidated financial statements of the Group have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on Stock Exchange (the "**Listing Rules**") and Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). The condensed consolidated financial statements are unaudited but have been reviewed by the Audit Committee of the Company.

The accounting policies adopted and the basis of preparation used in the preparation of the condensed consolidated financial statement of the Group are consistent with those followed in the preparation of the Group's annual financial statements for the twelve months ended 31 December 2023.

In the Period, the Group has applied, for the first time, the following new and amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**") and Interpretations issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-Current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The adoption of the above new or revised HKFRSs in the current period did not have any significant impact on the financial position and performance of the Group.

The following amendments to HKAS and HKFRSs, potentially relevant to the Group's condensed consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 21	Lack of Exchangeability[1]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

1 Effective for annual periods beginning on or after 1 January 2025.
2 Effective for annual periods beginning on or after 1 January 2026.
3 Effective for annual periods beginning on or after 1 January 2027.
4 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 directors of the Company anticipate that the application of these amendments to HKFRSs and HKASs will have no material impact on the Group's financial performance and positions and/or the disclosures to these condensed consolidated financial statements of the Group.

3. 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

The information of the reportable segment results are as follows:

For the six months ended 30 June 2024 (unaudited)

	Chemical pharmaceutical products *HK$'000*	**Biological pharmaceutical products** *HK$'000*	**Pipeline products** *HK$'000*	**Consolidated** *HK$'000*
Segment revenue				
External sales	**144,632**	**128,983**	**–**	**273,615**
Result				
Segment profit/(loss)	**79,634**	**14,119**	**(19,592)**	**74,161**
Other income				**5,485**
Finance costs				**(265)**
Unallocated administration expenses				**(7,838)**
Profit before taxation				**71,543**

For the six months ended 30 June 2023 (unaudited)

	Chemical pharmaceutical products *HK$'000*	Biological pharmaceutical products *HK$'000*	Pipeline products *HK$'000*	Consolidated *HK$'000*
Segment revenue				
External sales	131,764	118,169	–	249,933
Result				
Segment profit/(loss)	30,678	18,827	(6,570)	42,935
Other income				6,666
Finance costs				(427)
Unallocated administration expenses				(5,779)
Profit before taxation				43,395

4. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Unaudited Six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
Amortisation of intangible assets	**2,199**	418
Cost of inventories recognised as an expenses	**43,027**	51,079
Depreciation of property, plant and equipment	**6,266**	4,925
Depreciation of right-of-use assets	**2,461**	2,399
Less: Depreciation included in research and development costs	**(1,091)**	(803)
	7,636	6,521
Research and development costs	**23,312**	23,025
Less: Capitalisation on intangible assets	**(2,422)**	(11,285)
	20,890	11,740

5. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	Unaudited Six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
Salaries, wages and other benefit	**53,892**	40,990
Retirement benefit scheme contribution	**10,389**	7,396
	64,281	48,386

6. INCOME TAX EXPENSE

The amount of taxation charged to the condensed consolidated statement of comprehensive income represents:

	Unaudited Six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
The PRC Enterprise Income Tax ("**EIT**")	**4,161**	3,994

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

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

Beijing Genetech Pharmaceutical Co., Limited and Shenzhen Watsin Genetech Pharmaceutical Co., Limited, wholly owned subsidiaries of the Company, were approved as "high-new technology enterprise" and were eligible to enjoy a preferential enterprise income tax rate of 15% for the six months ended 30 June 2024 and 2023.

7. EARNINGS PER SHARE

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

	Unaudited Six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
Earnings		
Profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	**67,382**	39,401

	Unaudited Six months ended 30 June	
	2024	2023
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of computation of basic and diluted earnings per share	**6,163,588**	6,364,768

For the six months ended 30 June 2024 and 2023, the computation of diluted earnings per share does not assume the conversion of certain share options as the exercise price of these share options are higher than the average market price of the Company.

8. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

a. Acquisitions and disposals

During the six months ended 30 June 2024, the Group acquired items of plant and machinery with a cost of HK$4,818,000 (six months ended 30 June 2023: HK$$6,121,000). Items of plant and machinery with a net book value of HK$681,000 were disposed of during the six months ended 30 June 2024 (six months ended 30 June 2023: HK$498,000), resulting in a loss on disposal of HK$568,000 (six months ended 30 June 2023: a loss on disposal of HK$359,000).

b. Impairment losses

During the six months ended 30 June 2024 and 2023, no impairment loss of Property, Plant and Equipment and Investment properties were recognised by the Group.

9. RIGHT-OF-USE-ASSETS AND LEASE LIABILITIES

Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	Unaudited 30 June 2024	Audited 31 December 2023
	HK$'000	*HK$'000*
Land use rights, carried at depreciated cost	**6,633**	6,822
Leased properties, carried at depreciated cost	**7,650**	10,012
	14,283	16,834

The right-of-use assets represent the Group's rights to use underlying leased premises under operating lease arrangements over the lease terms, which are stated at cost less accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities.

Lease Liabilities

The carrying amount of lease liabilities are as follows:

	Unaudited 30 June 2024	Audited 31 December 2023
	HK$'000	*HK$'000*
Maturity analysis		
Less than one year	**2,688**	4,230
Over one year and more	**6,513**	6,990
Total lease liabilities	**9,201**	11,220
Analysed as:		
Current portion	**2,688**	4,230
Non-current portion	**6,513**	6,990
	9,201	11,220

10. INTANGIBLE ASSETS

Carrying amount

	Trademarks and certificates *(Note a)* *HK$'000*	**Technical know-how** *(Note b)* *HK$'000*	**Capitalised development costs** *(Note c)* *HK$'000*	**Total** *HK$'000*
At 30 June 2024 (unaudited)	**–**	**2,457**	**36,736**	**39,193**
At 31 December 2023 (audited)	–	2,665	36,586	39,251

All intangible assets are amortised on a straight-line basis over the following periods:

Trademarks and certificates	10 to 15 years
Technology know-how	10 years
Capitalised development costs	10 years

Notes:

(a) Trademarks and certificates represent costs in obtaining trademarks and registration certificates for pharmaceutical products.

(b) Technical know-how mainly represents techniques and formulas acquired separately for the development of products and production technology.

(c) Capitalised development costs mainly represent costs generated internally for the development of products and product technology.

(d) Except for the capitalised development costs of drugs under development, the respective intangible assets (including the capitalised development costs of drugs already completed development) have finite lives and are subsequently amortised over the useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Capitalised development costs of drugs under development are not amortised as the development of products and technology is in the registration or after the approval of phase III clinical trial process and are assessed for impairment annually.

(e) The directors of the Company conducted an impairment review of the Group's intangible assets annually. During the six months ended 30 June 2024 and 2023, no impairment loss on technical know-how and capitalised development costs were recognised to profit or loss.

11. TRADE AND OTHER RECEIVABLES

	Unaudited 30 June 2024	Audited 31 December 2023
	HK$'000	*HK$'000*
Trade receivables	**47,333**	39,832
Less: Loss allowance	**(4,460)**	(4,492)
	42,873	35,340
Bill receivables	**15,419**	17,878
Deposits, prepayments and other receivables	**14,083**	13,348
Less: Loss allowance	**(396)**	(401)
	13,687	12,947
	71,979	66,165

Note: As at 30 June 2024 and 31 December 2023, trade receivables from contracts with customers amounted to HK$42,873,000 and HK$35,340,000 respectively.

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

	Unaudited 30 June 2024	Audited 31 December 2023
	HK$'000	*HK$'000*
0–90 days	**40,662**	30,925
91–120 days	**3,869**	5,029
121–180 days	**712**	1,638
181–360 days	**429**	492
Over 360 days	**1,661**	1,748
	47,222	39,832
Less: Loss allowance	**(4,460)**	(4,492)
	42,873	35,340

12. TRADE AND OTHER PAYABLES

	Unaudited 30 June 2024	Audited 31 December 2023
	HK$'000	*HK$'000*
Trade payables	**11,935**	9,313
Other payables	**26,845**	15,217
Accruals	**18,343**	38,796
	57,123	63,326

The ageing analysis of trade payables at the end of the reporting period based on transaction date is as follows:

	Unaudited 30 June 2024	Audited 31 December 2023
	HK$'000	*HK$'000*
0–30 days	**8,385**	7,536
31–60 days	**1,395**	124
61–90 days	**265**	561
Over 90 days	**1,890**	1,092
	11,935	9,313

The average credit period on purchases of goods is 120 days (31 December 2023: 120 days). The Group has in place financial risk management policies to ensure that all payables are settled within the credit time frame.

13. SHARE CAPITAL

Ordinary share of HK$0.01 each

	Number of shares	Amount *HK$'000*
Authorised:		
At 31 December 2023 and 30 June 2024	500,000,000,000	5,000,000
Issued and fully paid:		
At 31 December 2023	6,364,768,147	63,648
Reduction of share capital	(201,180,000)	(2,012)
At 30 June 2024	6,163,588,147	61,636

14. SHARE OPTIONS

On 26 September 2016, a New Share Option Scheme was adopted by the Company ("**2016 Scheme**") and replaced the share option scheme approved on 22 September 2006.

Under the 2016 Scheme, which is valid for a period of ten years, the board of directors of the Company may, at its discretion grant options to subscribe for shares in the Company to eligible participants ("**Eligible Participants**") who contribute to the development and growth of the Group. Eligible Participants include (i) any employee (whether full-time or part-time including any executive director but excluding any non- executive director) of the Company, any of its subsidiaries or any entity ("**Invested Entity**") in which the Group holds an equity interest; (ii) any non-executive director (including independent non-executive director) of the Company, any of its subsidiaries or any Invested Entity; (iii) any supplier of goods or services to any member of the Group or any Invested Entity; (iv) any customer of any member of the Group or any Invested Entity; (v) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; (vi) any adviser (professional or otherwise) or consultant to any area of business or business development of the Group or any Invested Entity; and (vii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group, and, for the purposes of the New Share Option Scheme, the options may be granted to any company wholly owned by one or more persons belonging to any of the above classes of participants.

At 30 June 2024, the number of shares in respect of which options had been granted and remained outstanding under the share option scheme was 563,055,000 (At 31 December 2023: 563,055,000), representing 9.14% (At 31 December 2023: 8.85%) of the ordinary shares in issue at that date.

Details of the share option movements during the six months ended 30 June 2024 and 2023 are as follow:

Share options grant date	Outstanding at 1.1.2024 *'000*	Granted during the period *'000*	Exercised during the period *'000*	Lapsed during the period *'000*	Cancelled during the period *'000*	Outstanding at 30.06.2024 *'000*
12 September 2014 Directors	**8,560**	**–**	**–**	**–**	**–**	**8,560**
12 September 2014 Others	**360**	**–**	**–**	**–**	**–**	**360**
23 January 2015 Employees	**10,880**	**–**	**–**	**–**	**–**	**10,880**
23 January 2015 Others	**33,100**	**–**	**–**	**–**	**–**	**33,100**
10 July 2015 Directors	**7,260**	**–**	**–**	**–**	**–**	**7,260**
17 August 2015 Others	**120,000**	**–**	**–**	**–**	**–**	**120,000**
27 January 2016 Employees	**20,700**	**–**	**–**	**–**	**–**	**20,700**
27 January 2016 Others	**1,300**	**–**	**–**	**–**	**–**	**1,300**
7 October 2016 Directors	**10,880**	**–**	**–**	**–**	**–**	**10,880**
3 April 2017 Employees	**34,950**	**–**	**–**	**–**	**–**	**34,950**
3 April 2017 Others	**2,010**	**–**	**–**	**–**	**–**	**2,010**
16 November 2017 Directors	**16,073**	**–**	**–**	**–**	**–**	**16,073**
9 April 2018 Senior Management	**11,990**	**–**	**–**	**–**	**–**	**11,990**
9 April 2018 Employees	**20,224**	**–**	**–**	**–**	**–**	**20,224**
5 July 2018 Others	**3,000**	**–**	**–**	**–**	**–**	**3,000**
9 April 2019 Directors	**66,179**	**–**	**–**	**–**	**–**	**66,179**
9 April 2019 Employees	**62,449**	**–**	**–**	**–**	**–**	**62,449**
9 April 2019 Others	**3,300**	**–**	**–**	**–**	**–**	**3,300**
2 April 2020 Employees	**35,780**	**–**	**–**	**–**	**–**	**35,780**
2 April 2020 Others	**35,000**	**–**	**–**	**–**	**–**	**35,000**
31 August 2020 Executive Directors	**33,380**	**–**	**–**	**–**	**–**	**33,380**
31 August 2020 Non-Executive Directors	**25,680**	**–**	**–**	**–**	**–**	**25,680**
	563,055	**–**	**–**	**–**	**–**	**563,055**
Exercisable at the end of the period						**563,055**
Weighted average exercise price	**HK$0.18**	**–**	**–**	**–**	**–**	**HK$0.18**

Share options grant date	Outstanding at 1.1.2023 *'000*	Granted during the period *'000*	Exercised during the period *'000*	Lapsed during the period *'000*	Cancelled during the period *'000*	Outstanding at 30.06.2023 *'000*
12 September 2014 Directors	8,560	–	–	–	–	8,560
12 September 2014 Others	360	–	–	–	–	360
23 January 2015 Employees	10,880	–	–	–	–	10,880
23 January 2015 Others	33,100	–	–	–	–	33,100
10 July 2015 Directors	7,260	–	–	–	–	7,260
17 August 2015 Others	120,000	–	–	–	–	120,000
27 January 2016 Employees	20,700	–	–	–	–	20,700
27 January 2016 Others	1,300	–	–	–	–	1,300
7 October 2016 Directors	10,880	–	–	–	–	10,880
3 April 2017 Employees	34,950	–	–	–	–	34,950
3 April 2017 Others	2,010	–	–	–	–	2,010
16 November 2017 Directors	16,073	–	–	–	–	16,073
9 April 2018 Senior Management	11,990	–	–	–	–	11,990
9 April 2018 Employees	20,224	–	–	–	–	20,224
5 July 2018 Others	3,000	–	–	–	–	3,000
9 April 2019 Directors	66,179	–	–	–	–	66,179
9 April 2019 Employees	62,449	–	–	–	–	62,449
9 April 2019 Others	3,300	–	–	–	–	3,300
2 April 2020 Employees	35,780	–	–	–	–	35,780
2 April 2020 Others	35,000	–	–	–	–	35,000
31 August 2020 Executive Directors	33,380	–	–	–	–	33,380
31 August 2020 Non-Executive Directors	25,680	–	–	–	–	25,680
	563,055	–	–	–	–	563,055
Exercisable at the end of the period						563,055
Weighted average exercise price	HK$0.18	–	–	–	–	HK$0.18

15. CAPITAL COMMITMENT

	Unaudited 30 June 2024	Audited 31 December 2023
	HK$'000	*HK$'000*
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of		
— purchase of property, plant and equipment	**7,781**	16,313
— purchase of intangible asset	**–**	579
— research and development activities	**1,988**	176
	9,769	17,068

16. INTERIM DIVIDEND

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

17. CAPITAL MANAGEMENT

The Group's objectives when managing capital are:

To safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders;

To support the Group's stability and growth; and

To provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

By Order of the Board
Uni-Bio Science Group Limited
Kingsley Leung
Chairman

Hong Kong, 28 August 2024

As at the date of this announcement, the Board comprises four 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.