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聯康生物科技集團有限公司\*

Uni-Bio Science Group Limited

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 690)

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

### **PLACING OF NEW SHARES**

On 4 August 2006, the Company entered into the Placing Agreement with Chow Tai Fook Nominee Limited in relation to the placing of 108,000,000 new Shares at the placing price of HK\$2.50 per Share.

The Placing Shares represent (i) approximately 14.21% of the existing issued share capital of the Company and (ii) approximately 12.44% of the issued share capital of the Company as enlarged by the Placing.

The Placing Price represents (i) a discount of approximately 16.38% to the closing price of HK\$2.99 per Share as quoted on the Stock Exchange on 4 August 2006, being the last trading day before this announcement; (ii) a discount of approximately 8.49% to the average closing price per Share of HK\$2.732 as quoted on the Stock Exchange for the last ten trading days ended on 4 August 2006 and (iii) a premium of approximately 1,284% when compared with the net assets value per Share of HK\$0.1806 as at 31 March 2006, the latest audited financial information.

The Placing is conditional upon the Listing Committee granting the listing of, and permission to deal in, the Placing Shares.

The net proceeds from the Placing will be approximately HK\$269,700,000. The Board intends, depending on market conditions and availability of investment opportunities, to apply the net proceeds to pursue acquisition opportunities to implement the integration plan of the Group as disclosed in this announcement by establishing its own manufacturing capability to develop its bio-science related business. Any proceeds not deployed (or if no suitable investment or acquisition opportunities can be identified in the immediate future) will be used as general working capital of the Group to support its ongoing operations.

## **THE PLACING AGREEMENT**

### **Date**

4 August 2006

### **Issuer**

The Company

### **Placee**

Chow Tai Fook Nominee Limited

The Placee is a company incorporated in Hong Kong with limited liability, which is beneficially and wholly owned by Dato Dr Cheng Yu-Tung.

The Placee was introduced to the Company through an acquaintance of the chairman of the Company. As at the date of this announcement, the Placee has no business relationship with the Group and does not hold any shares in the Company.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiry, the Placee and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

### **Placing Shares**

108,000,000 new Shares (representing an aggregate nominal value of HK\$10,800,000).

The Placing Shares represent approximately (i) 14.21% of the existing issued share capital of the Company and (ii) approximately 12.44% of the Company's issued share capital of the Company as enlarged by the Placing.

The Placing Shares will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

The Placing Shares are not subject to any lock-up restriction under the terms of the Placing Agreement.

## **Placing Price**

The Placing Price of HK\$2.50 per Placing Share was agreed between the Company and the Placee immediately before entering into of the Placing Agreement and represents:

- (i) a discount of approximately 16.38% to the closing price of HK\$2.99 per Share as quoted on the Stock Exchange on 4 August 2006, being the date of which the terms of the Placing were fixed and the last trading day before this announcement;
- (ii) a discount of approximately 8.49% to the average closing price of HK\$2.732 per Share as quoted on the Stock Exchange for the last ten trading days ended on 4 August 2006; and
- (iii) a premium of approximately 1,284% when compared with the net assets value per Share of HK\$0.1806 as at 31 March 2006, the latest audited financial information.

After deducting the expenses of the Placing which amounts to HK\$300,000, the net Placing Price per Share will be approximately HK\$2.497.

The terms of the Placing Agreement (including the Placing Price) were negotiated on an arm's length basis between the Company and the Placee and having taken into account the recent share price performance, the trading volume of the Shares, the liquidity of the Shares, the net assets value of the Group as at 31 March 2006 and the future prospects of the Group as a result the Acquisition. The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement (including the Placing Price) to be fair and reasonable based on the current market condition and the entering into of the Placing Agreement is in the interest of the Company and the Shareholders as a whole.

## **Condition precedent of the Placing Agreement**

The Placing Agreement is conditional upon the Listing Committee granting the listing of, and permission to deal in, the Placing Shares. In the event that this condition is not fulfilled on or before 12 August 2006, or such later date as may be agreed between the Company and the Placing Agent, the Placing Agreement will terminate.

## **Completion of the Placing Agreement**

Completion of the Placing Agreement is to take place on the second Business Day after the condition precedent of the Placing Agreement has been fulfilled.

## **Issue of the Placing Shares pursuant to General Mandate**

The Placing Shares will be allotted and issued under the general mandate granted to the Directors to allot, issue and deal with additional Shares pursuant to the resolution passed by the Shareholders at the extraordinary general meeting of the Company held on 6 June 2006. At the time of the extraordinary general meeting of the Company, the total number of issued Shares was 540,000,000. The general mandate has not been utilized since it was granted. Accordingly, the maximum number of new Shares which can be issued pursuant to the general mandate is 108,000,000 (representing 20% of the issued share capital of the Company as at 6 June 2006 (that is, without taking into account the 220,000,000 Shares allotted and issued by the Company in part payment of consideration for the Acquisition as disclosed in the Company's announcement dated 26 April 2006)).

## **No change in members or composition of the Board**

There is no present intention or agreement reached between the parties to the Placing Agreement to change the members or composition of the Board as a result of the Placing.

## **Reasons for the Placing and use of net proceeds**

The principal business of the Company and its subsidiaries include (i) the manufacture and trading of packaging products, paper gifts items and promotional products and investment holding and (ii) following completion of the Acquisition in June 2006, the bio-science related business.

As announced by the Company in its announcement dated 27 June 2006, the State Food and Drug Administration (國家食品藥品監督管理局) has granted its approval to conduct clinical study of a drug jointly researched by the Group with an independent research institution for the treatment of Type 2 diabetes, namely recombinant Exendin-4 for injection (注射用重組促胰島素分泌素). The patient dosing begins in July 2006. Preliminary data is expected to be available by the end of 2006. The Company expects that a portion of the financial resources available to the Company will be used as research fee for clinical trials for the potential pharmaceutical products jointly developed by the Group.

Further, as disclosed in the announcement dated 28 July 2006 of the Company's preliminary results for the financial year ended 31 March 2006, while the Group considers research and product invention an essential component of its business strategy for the development of its new bio-science related business, the success of the new bio-science related business of the Group also hinges on whether it is able to establish its own manufacturing capability to control production of its invented products. The Company believes that an integrated production process from research, manufacturing to distribution will enable the Company to consolidate further its market position, enhance the Group's market share and overall competitiveness in the bio-science related industry. Accordingly, the Company will continue to pursue further acquisition opportunities in a prudent and selective manner with a view to establishing its manufacturing capability through investing in or acquiring manufacturing plants and/or facilities suitable for the production of bio-science related (including pharmaceutical) products.

In view of the current market condition, the Directors consider that the Placing offers a good opportunity to raise funds for the Group. Through the Placing, the Company can broaden its capital and shareholder base without any interest burden, as well as increase the marketability of its shares. The Group can then be better equipped with the financial flexibility for future business development and investment purposes.

The net proceeds from the Placing will be approximately HK\$269,700,000. The Board intends, depending on market conditions and availability of investment opportunities, to apply the net proceeds to pursue acquisition opportunities to implement its integration plan by establishing its own manufacturing arm for its bio-science related business. Any proceeds not deployed (or if no suitable acquisition opportunities can be identified in the immediate future), will be utilized as general working capital to support the ongoing operations of the Group.

### **Effect on shareholding structure following completion of the Placing**

The shareholding structure of the Company immediately before and after completion of the Placing is as follows:

Shareholders	Before completion of the Placing Agreement	%	After completion of the Placing Agreement	%
Automatic Result Limited ("ARL") (Notes 1 and 2)	292,058,248	38.43	292,058,248	33.65
Public Shareholders	467,941,752	61.57	467,941,752	53.91
Placee (Note 3)	-	-	108,000,000	12.44
Total	<u>760,000,000</u>	<u>100.00</u>	<u>868,000,000</u>	<u>100.00</u>



*Notes:*

- (1) The entire issued share capital of ARL is solely and beneficially owned by Mr Tong Kit Shing whereas Mr Liu Guoyao is the sole director of ARL. Both Mr Tong and Mr Liu are the executive directors of the Company. They are deemed to be interested in all the interest in Shares held by ARL by virtue of the SFO.
- (2) The number of Shares held by ARL does not take into account any Shares that may fall to be allotted and issued upon exercise of the conversion right attaching to the three-year zero coupon convertible bonds in the aggregate principal sum of HK\$114 million issued by the Company to ARL pursuant to a subscription agreement dated 26 April 2006 entered into between the Company and ARL as disclosed in the announcement of the Company dated 26 April 2006.
- (3) Dato Dr Cheng Yu-Tung beneficially owns all the issued shares in the Placee, Chow Tai Fook Nominee Limited.

### **Application for listing**

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

### **Fund raising activity of the Company in the 12 months immediately preceding the date of this announcement**

As disclosed in the Company's announcement dated 15 February 2006, the Company raised net proceeds of approximately HK\$175.5 million by way of an open offer of 360,000,000 offer Shares at HK\$0.50 per offer Share payable in full on acceptance on the basis of two offer Shares for every existing Share then held, of which approximately HK\$160.1 million was utilized for funding in part payment of consideration for the Acquisition and the balance of HK\$15.4 million as general working capital of the Group.

As disclosed in the Company's announcement dated 26 April 2006, the Company raised net proceeds of approximately HK\$113.9 million by the issue of a three-year zero coupon convertible bonds ("**Convertible Bonds**") in the aggregate principal sum of HK\$114 million issued by the Company to Automatic Result Limited under a subscription agreement dated 26 April 2006, which net proceeds were fully utilized for funding in part payment of consideration for the Acquisition.

Save as disclosed above, the Company has not undertaken any fund raising exercise in the 12 months immediately prior to the date of this announcement.

The use of proceeds derived from the open offer and the issue of the Convertible Bonds was in line with the disclosure previously made by the Company in the relevant announcements.

## **ADDITIONAL INFORMATION**

As at the date of this announcement, there were 760,000,000 Shares in issue and there remained outstanding (i) the options carrying the rights to subscribe for up to a total of 72,000,000 Shares granted by the Company under its existing share option scheme and (ii) the right granted by the Company to Automatic Result Limited to subscribe for up to 120,000,000 Shares upon exercise of the conversion right attaching to the Convertible Bonds.

## **DEFINITIONS**

In this announcement, the following words and phrases have the following meanings:

“Acquisition”	the acquisition by Lelion Holdings Limited, a wholly-owned subsidiary of the Company, of the entire issued share capital of Figures Up Trading Limited as disclosed in the announcement of the Company dated 26 April 2006, which acquisition was completed on 14 June 2006
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Uni-Bio Science Group Limited, an exempt company incorporated in the Cayman Islands and whose shares are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Placee”	Chow Tai Fook Nominee Limited, a company incorporated in Hong Kong and is beneficially and wholly owned by Dato Dr Cheng Yu-Tung
“Placing”	the placing of the Placing Shares by the Company to the Placee pursuant to the terms of the Placing Agreement
“Placing Agreement”	the placing agreement dated 4 August 2006 entered into between the Company and the Placee in relation to the Placing
“Placing Price”	HK\$2.5 per Placing Share
“Placing Shares”	108,000,000 new Shares to be allotted and issued by the Company pursuant to the Placing Agreement
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board  
**Uni-Bio Science Group Limited**  
**Tong Kit Shing**  
*Chairman*

Hong Kong, 4 August 2006

*As at the date of this announcement, the executive Directors are Mr Tong Kit Shing (Chairman), Mr Liu Guo Yao (Chief Executive Officer) and Mr Cheng Wai Man; the independent non-executive Directors are Mr Zhou Yao Ming, Mr Lin Jian and Mr So Yin Wai.*

\* *For identification purposes only*

Please also refer to the published version of this announcement in The Standard.