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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)

**(A) DISCLOSEABLE TRANSACTION:  
proposed acquisition of the entire issued share capital of  
Nan Hoo Properties Limited and assignment of loan  
(involving the allotment and issue of consideration shares)  
and**

**(B) RESUMPTION OF TRADING**

**Financial Adviser to the Company**



**REXCAPITAL (Hong Kong) Limited**

**SUMMARY**

**(1) Proposed Acquisition and assignment of Loan**

After the close of trading hours on 27 November 2006, Lelion (a wholly owned subsidiary of the Company) and the Vendors entered into the conditional Acquisition Agreement for (i) the sale and purchase of the entire issued share capital of Nan Hoo and (ii) the sale and transfer from one of the Vendors to Lelion of the Loan due from the Target Group (comprising Nan Hoo and Beijing Genetech) upon completion of the Acquisition Agreement for a total consideration of HK\$454 million.

Nan Hoo has a direct 100% equity interest in the registered share capital of Beijing Genetech. Beijing Genetech is principally engaged in the manufacture and sale of pharmaceutical products in the form of tablets, capsules, granules and large volume parenteral solutions, as well as the research and development of generic drugs. It has a GMP compliant production plant in Beijing, the PRC with a total of five production lines.

The Acquisition Consideration will be satisfied as to (i) HK\$230 million in cash and (ii) HK\$224 million by the allotment and issue of an aggregate of 80 million Consideration Shares at an issue price of HK\$2.80 each by the Company to the Vendors.

The Consideration Shares represent approximately 9.2% of the existing issued share capital and 8.4% of the enlarged issued share capital of the Company immediately after the Acquisition.

As the applicable percentage ratios under the Listing Rules of the Acquisition is more than 5% but less than 25%, the transactions contemplated under the Acquisition Agreement constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

**Completion of the Acquisition Agreement and the transactions contemplated thereunder may or may not take place. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

(2) **Issue of Consideration Shares pursuant to the General Mandate**

In contemplation of the Acquisition, the Consideration Shares will be allotted and issued under the existing general mandate granted to the Directors at the 2006 AGM.

(3) **General**

A circular containing, among other things, further details of the Acquisition will be despatched to the Shareholders in accordance with the Listing Rules.

(4) **Suspension and resumption of trading**

At the request of the Company, trading in the securities of the Company was suspended with effect from 9:30 a.m. on 28 November 2006 pending the publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the securities of the Company with effect from 9:30 a.m. on 29 November 2006.

## THE ACQUISITION AGREEMENT

### Date

27 November 2006

### Parties

Vendors : Leung Kar Loon Stanley (“**Leung**”), Yuen King Tak Soon (“**Yuen**”) and Ho Yik Leung (“**Ho**”)

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of the Vendors is an Independent Third Party and does not hold any position with the Company or its connected persons (as defined in the Listing Rules), and that there is no relationship (i) among the three individual Vendors otherwise than their shareholding in Nan Hoo and their entering into of the Acquisition Agreement or (ii) with the Group or the substantial shareholder of the Company other than the commercial relationship arising from the Acquisition.

Purchaser : Lelion Holdings Limited, a wholly-owned subsidiary of the Company

### Assets involved

Pursuant to the Acquisition Agreement, the Vendors have conditionally agreed to sell and Lelion has conditionally agreed to purchase the Sale Shares, which comprise the entire issued share capital of Nan Hoo. Nan Hoo has a direct 100% equity interest in the registered share capital of Beijing Genetech.

The Purchaser has also conditionally agreed to purchase and one of the Vendors (namely, Leung) has also conditionally agreed to sell and transfer the Loan in the amount of approximately RMB174,000,400 (equivalent to approximately HK\$170,588,627) as at 30 June 2006 due from the Target Group (comprising Nan Hoo and Beijing Genetech) to Leung upon completion of the Acquisition. The Loan is unsecured, interest-free and has no fixed repayment date.

Further information on the Target Group (comprising Nan Hoo and Beijing Genetech) is set out in the paragraph headed “Information on the Target Group” below.

### Consideration for the Acquisition

#### Consideration

The total consideration for the Acquisition is HK\$454 million (out of which HK\$280 million and HK\$174 million are respectively attributable to the acquisition of the Sale Shares and the transfer of the Loan) will be allocated amongst the Vendors according to the ratio as specified in the Acquisition Agreement and will be satisfied in the following manner upon Completion:

- (i) as to HK\$230 million in cash (the “**Cash Portion**”); and
- (ii) as to the balance of HK\$224 million by the allotment and issue of 80 million new Shares as Consideration Shares, credited as fully paid, at an issue price of HK\$2.80 each by the Company to the Vendors.

The Consideration Shares represent approximately 9.2% of the existing issued share capital and 8.4% of the enlarged issued share capital of the Company immediately after the Acquisition.

## Deposits

With respect to the cash portion of the Acquisition Consideration of HK\$230 million:

- (i) a sum of HK\$60,000,000 in cash being deposit money, is payable by the Group to the Vendors (in the proportion of their respective entitlements to the Acquisition Consideration) within 5 days from the signing of the Acquisition Agreement;
- (ii) a further sum of HK\$40,000,000 in cash, being further deposit money, will be paid by the Group to the Vendors (in the proportion of their respective entitlements to the Acquisition Consideration) within 14 days of the signing of the Acquisition Agreement; and
- (iii) the balance of HK\$130,000,000 will be paid by the Group to the Vendors (in the proportion of their respective entitlements to the Acquisition Consideration) upon completion of the Acquisition.

The cash portion of the Acquisition Consideration is expected to be met by the Group's internal resources.

If completion of the Acquisition fails to take place on or before the Completion Date or the Acquisition Agreement is terminated prior to the Completion for any reason other than the default of the Purchaser, the Vendors shall on the third business day following the Completion Date or the receipt by the Vendors of a notice from the Purchaser of such termination (as the case may be) return the deposits together with interest thereon (at the prime rate quoted by The Hongkong and Shanghai Banking Corporation Limited) to the Purchaser.

## Basis of consideration for the Acquisition

The Acquisition Consideration was arrived at after arm's length negotiations between the parties to the Acquisition Agreement with reference to:

- (i) the consolidated book value of the equity and shareholder's loan to the Target Group of approximately RMB178,537,019 (equivalent to approximately HK\$175,036,293) as at 30 June 2006 as reported in the unaudited consolidated balance sheet of the Target Group as at 30 June 2006 prepared in accordance with the Hong Kong generally accepted accounting principles;
- (ii) the price to book ratios of comparable listed companies (the "Comparables") in Hong Kong which are engaged in similar business of the Target Group ranged from about 0.61 times to 3.71 times (*source: Reuters*). The Comparables were selected based on criteria including that the companies are (i) in the pharmaceutical industry, (ii) currently listed in Hong Kong and (iii) with price to book ratio available but excluding the extreme price to book ratio of over 50 times; and
- (iii) the synergies to be brought about to the Group through the Acquisition such as, in particular, that (i) the existing production operation of Beijing Genetech shall allow the Group to attain an integrated process from research, manufacturing to distribution, which is expected to increase the competitiveness of the Group in the industry; and (ii) the Acquisition represents a more efficient and cost-effective way for the Group to acquire a manufacturing facilities which have already obtained GMP certification suitable for the production of bio-science related (including pharmaceutical) products as compared with spending extra capital and time in planning and constructing its own manufacturing facilities. Reasons for and benefits of the Acquisition to the Group have been detailed under the section headed "Reasons for the Acquisition" below.

The Board considers that the use of the price to book ratios valuation methodology is appropriate as this valuation methodology is commonly applied in the pharmaceutical industry which requires intensive capital investment. The Acquisition Consideration of HK\$454 million represents a price to book ratio of approximately 2.59 times of the consolidated book value of the equity and shareholder's loan to the Target Group of approximately RMB178,537,019 (equivalent to approximately HK\$175,036,293) as at 30 June 2006, which is within the range of the price to book ratios of the Comparables.

The Acquisition Consideration also represents a premium of approximately 159.37% over the consolidated book value of the equity and shareholder's loan to the Target Group of approximately RMB178,537,019 (equivalent to approximately HK\$175,036,293) as at 30 June 2006. However, as detailed under the paragraph headed "Consideration Shares" below, given that the issue price of the Consideration Shares to be issued to the Vendors represents an even more significant premium of approximately 247.7% over the adjusted net asset value per Share, the Directors (including the independent non-executive Directors) consider that the premium of the Acquisition Consideration is commercially reasonable and justifiable.

Based on the above, the Directors (including the independent non-executive Directors) considered that the basis for arriving at the Acquisition Consideration is fair and reasonable.

## Consideration Shares

The total of 80 million Consideration Shares represents approximately 9.2% of the Company's existing issued share capital and approximately 8.4% of the enlarged issued share capital of the Company immediately after the Acquisition.

The issue price of each Consideration Share is HK\$2.8 which represents:

- (a) a discount of approximately 14.11% to the closing price of HK\$3.26 per Share as quoted on the Stock Exchange on 27 November 2006 (being the last trading day immediately prior to this announcement);
- (b) a discount of 14.11% to the average closing price of HK\$3.26 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 27 November 2006 (being the last trading day immediately prior to this announcement);
- (c) a discount of 14.24% over the average closing price of HK\$3.265 per Share as quoted on the Stock Exchange for the 20 consecutive trading days up to and including 27 November 2006 (being the last trading day immediately prior to this announcement);
- (d) a discount of 14.16% over the average closing price of HK\$3.2617 per Share as quoted on the Stock Exchange for the 30 days up to and including 27 November 2006 (being the last trading day immediately prior to this announcement); and
- (e) a premium of 247.7% over the adjusted net asset value per Share of approximately HK\$0.805 calculated based on the published net asset value as at 31 March 2006 adjusted by the effects on the net asset value pursuant to (i) the open offer as announced in the Company's announcement dated 15 February 2006, (ii) the FUTL Acquisition as announced in the Company's announcement dated 26 April 2006 and (iii) the placing as announced in the Company's announcement dated 4 August 2006, then divided by the total number of issued share of the Company as at the date of this announcement.

Although there is certain discount to the issue price of the Consideration Shares as compared with the closing price of HK\$3.26 per Share as quoted on the Stock Exchange on 27 November 2006, the Directors consider the issue price of Consideration Share reasonable when taking into account (i) the partial payment of the Acquisition Consideration by way of Consideration Shares which can ease the cash flow pressure of the Group, (ii) the premium of the Consideration Share over the adjusted net asset value per Share and (iii) the relatively low liquidity of the Shares.

Based on the above, the Directors (including the independent non-executive Directors) considered the issue price per Consideration Share is fair and reasonable.

The aggregate nominal value of the Consideration Shares is HK\$8,000,000. After deducting the expenses of the allotment and issue of the Consideration Shares which are estimated to be HK\$100,000, the net price per Consideration Share will be approximately HK\$2.799.

The table below shows the number and the percentage of the Sale Shares to be sold by each of the Vendors and the consideration receivable by each of them under the Acquisition Agreement:

Name of Vendor	Number and percentage of the Sale Shares to be sold		Number of Consideration Shares	Value of Consideration Shares based on HK\$2.8 per Share HK\$	Cash Consideration HK\$	Total Consideration HK\$
Leung Kar Loon Stanley	17,500	35%	28,000,000	\$78,400,000	\$191,382,608	\$269,782,608
Yuen King Tak Soona	17,500	35%	28,000,000	\$78,400,000	\$20,793,980	\$99,193,980
Ho Yik Leung	15,000	30%	24,000,000	\$67,200,000	\$17,823,412	\$85,023,412
<b>Total:</b>	<b>50,000</b>	<b>100%</b>	<b>80,000,000</b>	<b>\$224,000,000</b>	<b>\$230,000,000</b>	<b>\$454,000,000</b>

The Consideration Shares shall rank pari passu in all respects with the existing Shares then in issue on the relevant date of allotment.

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

## Shareholding structure

The following table sets out the existing shareholding structure of the Company and the shareholding structure immediately after completion of the Acquisition:

	Existing shareholding structure		Shareholding structure upon completion of the Acquisition	
	No. of shares	%	No. of shares	%
Automatic Result Limited (“ARL”) (Notes 1 and 2)	292,058,248	33.65	292,058,248	30.81
Chow Tai Fook Nominee Limited (“CTF Nominee”) (Notes 3 and 4)	108,000,000	12.44	108,000,000	11.39
<b>Public Shareholders</b>				
Leung Kar Loon Stanley	–	–	28,000,000	2.95
Yuen King Tak Soona	–	–	28,000,000	2.95
Ho Yik Leung	–	–	24,000,000	2.54
Other Public Shareholders	467,941,752	53.91	467,941,752	49.36
<b>Sub-total of public shareholders:</b>	467,941,752	53.91	547,941,752	57.80
<b>Total:</b>	<b>868,000,000</b>	<b>100.00</b>	<b>948,000,000</b>	<b>100.00</b>

### 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) For the avoidance of doubt, 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:
  - (i) the conversion right attaching to the three-year zero coupon convertible bonds in the aggregate principal sum of HK\$114 million (as disclosed in the announcement of the Company dated 26 April 2006), comprising (i) tranche 1 of a total principal sum of HK\$57,000,000 which may be convertible from the date falling six (6) months from 14 June 2006) and expiring on 13 June 2009 and (ii) tranche 2 of a total principal sum of HK\$57,000,000 which may be convertible from the date falling 12 months from 14 June 2006 and expiring on 13 June 2009) issued by the Company to ARL on 14 June 2006 at the conversion price of HK\$0.95 per Share (subject to adjustment) as constituted by an instrument by way of deed poll dated 14 June 2006; and/or
  - (ii) the subscription right attaching to the warrants (the “Warrants”) issued by the Company by way of bonus issue (the “Bonus Issue”) (as disclosed in the announcement of the Company dated 25 August 2006) entitling the holders to subscribe in cash for new Shares at the subscription price of HK\$5.00 per Share (subject to adjustment) on the basis of two warrants for every 10 existing Shares held on 22 September 2006 as constituted by an instrument by way of deed poll dated 29 September 2006 executed by the Company.
- (3) CTF Nominee is a company incorporated in Hong Kong and is beneficially and wholly owned by Dato Dr Cheng Yu-Tung.
- (4) The 108,000,000 Shares were held by CTF Nominee in the capacity of beneficial owner. For the avoidance of doubt, the number of Shares held by CTF Nominee does not take into account (i) any Shares that are held by CTF Nominee Limited in the capacity other than as beneficial owner and (ii) any Shares that may fall to be allotted and issued upon exercise by CTF Nominee of the subscription right attaching to the Warrants issued to it under the Bonus Issue.

## Non-disposal undertaking

Under the Acquisition Agreement, each of the Vendors has undertaken to the Company that, save with the prior written consent of the Company, he/she will not:

- (a) during the period of the first 6 months from the Completion Date, sell or otherwise dispose of any of the Consideration Shares issued to him/her; and
- (b) during the period commencing from the date falling 6 months from the Completion Date and expiring on the date falling 12 months from the Completion date, sell or otherwise dispose of more than half of the Consideration Shares issued to him/her.

### **Conditions for the Acquisition**

Completion shall be conditional upon, among other things, the fulfilment to the satisfaction of the Purchaser in its absolute discretion or, as the case may be, waiver of the following conditions:

- (i) the delivery of a legal opinion addressed to the Company and the Purchaser in form and substance satisfactory to the Purchaser by a firm of lawyers qualified to practise in PRC law confirming, among other things, (a) the due establishment of Beijing Genetech and (b) that the Acquisition shall not cause any of the current joint venture arrangements or ownership arrangements or other entitlements relating to any member of the Target Group or in relation to the Target Group's operation in the PRC to be cancelled, terminated, amended in any material manner nor render the Target Group's operations in the PRC to become illegal or otherwise adversely affect the authority or ability of the Target Group to carry on its operation in PRC as it is now being carried on;
- (ii) the delivery of a legal opinion addressed to the Company and the Purchaser in form and substance satisfactory to the Purchaser by a firm of lawyers qualified to advise on BVI law confirming the due establishment of Nan Hoo;
- (iii) the carrying out of due diligence review by the Purchaser of all material respects in relation to the assets, liabilities, operations and affairs of the Target Group which the Purchaser deems necessary, desirable or appropriate and confirmation by the Purchaser that the results of such due diligence review are satisfactory in all respects;
- (iv) the obtaining by the Purchaser of all necessary consents, authorisations or other approvals (or, as the case may be, the relevant waiver) of any kind in connection with the entering into and performance of the terms of the Acquisition Agreement which may be required under the Listing Rules, from the Stock Exchange or any governmental or regulatory authorities;
- (v) (if necessary) approval by the Shareholders at the EGM of the allotment and issue of the Consideration Shares under the Acquisition Agreement;
- (vi) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Consideration Shares; and
- (vii) none of the warranties given by the Vendors as contained in the Acquisition Agreement having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect.

The Purchaser may waive the conditions stated in (i), (ii), (iii) and (vii) above. None of the conditions precedents can be waived by the Vendors.

If any of the conditions for the Acquisition have not been fulfilled or waived by the Purchaser by the Longstop Date or such other date as the Vendors and the Purchaser may agree in writing, the provisions of the Acquisition Agreement (other than certain clauses as specified in the Acquisition Agreement) shall from such date have no effect and no party to the Acquisition Agreement shall have any claim against the others save for claim (if any) in respect of such continuing provisions or any antecedent breach of the Acquisition Agreement.

The Directors confirm that there is no agreement or understanding between the Vendors and the Company (whether under the Acquisition Agreement or otherwise) that any of the Vendors is entitled to nominate or appoint any person to the Board. The Company do not envisage any change in Directors or chief executives or senior management of the Group except for the appointment of additional officers at the subsidiary level to accommodate needs of business development and expansion.

### **Completion**

The Acquisition Agreement provides that Completion will take place within five business days next following the day on which the last unfulfilled condition precedent is satisfied or waived.

Upon Completion, Nan Hoo and Beijing Genetech will become a director, as the case may be, indirect wholly-owned subsidiary of the Company and the results of the Target Group will be consolidated in the Company's accounts.

## INFORMATION OF THE TARGET GROUP

### Nan Hoo

Nan Hoo was incorporated in the BVI on 20 April 1993 with limited liability. The entire issued share capital of Nan Hoo is presently owned as to 35% by Leung, 35% by Yuen and 30% by Ho.

Nan Hoo is an investment holding company and has a direct interest of 100% in the registered share capital of Beijing Genetech, which was acquired by Nan Hoo in December 2003. Nan Hoo's sole and principal asset is the holding of the entire registered capital of Beijing Genetech. Save for its interest in Beijing Genetech, Nan Hoo does not carry on any business or have any material outstanding liabilities or assets.

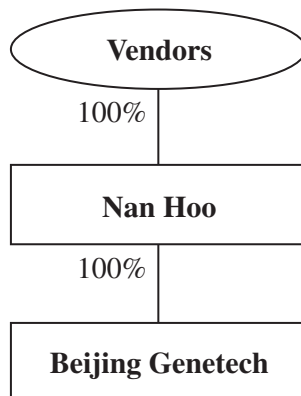
### Beijing Genetech

Beijing Genetech was a wholly-foreign owned enterprise established in the PRC in December 2002 and currently has a registered capital of RMB45,000,000. Beijing Genetech has obtained drug manufacturing permit (藥品生產許可証) for the production of pharmaceutical products issued by the Beijing Drug Administration (北京市藥品監督管理局) and GMP certificate for pharmaceutical products issued by the SFDA. It is principally engaged in the manufacture and sale of pharmaceutical products in the form of tablets, capsules, granules and large volume parenteral solutions, as well as the research and development of generic drugs. Currently, Beijing Genetech has obtained ownership of the intellectual property rights to and new drug certificates of various new drugs through external acquisition and its own research and development efforts. The pharmaceutical industry is one of the industries encouraged by the PRC Government and, though the entry barrier to the pharmaceutical industry is high, the business engaged by Beijing Genetech is not considered as restricted business in the PRC as far as foreign investment is concerned.

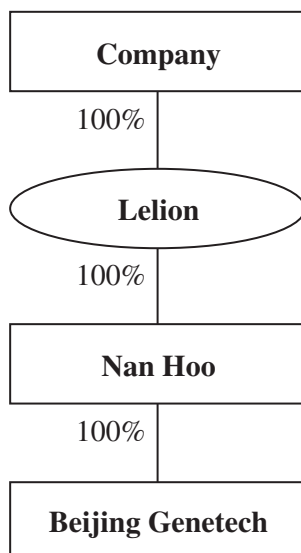
Beijing Genetech has obtained land use right certificate in respect of the land on which its GMP compliant production plant is built. The production plant, which is located at No. 7 Xinghuo Street, Changping District, Zhongguancun, Beijing Economic and Technological Development Area, the PRC, currently has five production lines.

### Corporate structure of the Target Group prior to and immediately after Completion

#### *Before Completion*



#### *Immediately after Completion*



## Financial information of Target Group

As at 30 June 2006, the unaudited net assets value of the Target Group was approximately RMB4,536,619 (equivalent to approximately HK\$4,447,666) and the amount of Loan due to Leung amounted to approximately RMB174,000,400 (equivalent to approximately HK\$170,588,627). For each of the two years ended 31 December 2005 and for the six months ended 30 June 2006, the net loss of the Target Group amounted to approximately RMB8,666,906 (equivalent to approximately HK\$8,496,967), RMB9,292,517 (equivalent to approximately HK\$9,110,311) and RMB5,035,335 (equivalent to approximately HK\$4,936,603), respectively.

## REASONS FOR THE ACQUISITION

In June 2006, the Company completed the FUTL Acquisition and the FUTL Group (comprising FUTL, Dongguan-Tai Li and DG-Pharmaceutical) has since become members of the Group. DG-Pharmaceutical is principally engaged in the sale and distribution of pharmaceutical, biological and biochemical (preventive biological products excepted) products, antibiotics material and its reagents in the PRC. It has also entered into joint research agreements with certain research institutions for the research and development of new pharmaceutical products. As at the date of this announcement, the Group, in collaboration with such research institutions, was involved in the research and development of various pharmaceutical products (collectively, the “**potential new drugs**”), which included recombinant Exendin-4 for injection (注射用重組促胰島素分泌素) for the treatment of Type 2 diabetes, Recombinant Human Interleukin 11 (rhIL-11) (重組人白細胞介素-11) for the treatment of chemotherapy induced thrombocytopenia (化療引致血小板減少症) and Recombinant Human Parathyroid Hormone (1-34) (重組人甲狀旁腺激素(1-34)) for the treatment of osteoporosis (骨質疏鬆). The clinical trial of each of these potential new drugs is underway and, if successful, could form the basis of application to the SFDA for registration as a new drug.

While the Group considers a good distribution network, research capability and product invention essential components 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 pharmaceutical products.

In addition, under the applicable PRC laws, the pharmaceutical production permit (藥品生產許可證) will be issued by the relevant pharmaceutical regulatory department in the PRC to a pharmaceutical “production” enterprise. In order to maximise the value of the Group’s intellectual property rights to the potential new drugs, the Directors consider it important and necessary for the Group to have its own pharmaceutical production enterprise to hold these pharmaceutical production permits under its name and manage directly the facilities and tightly control the procedure for the production of the potential new drugs developed or jointly developed by the Group after all necessary approval have been obtained.

The Board is of the view that the investment in and acquisition of a manufacturing facilities which have already obtained GMP certification suitable for the production of bio-science related (including pharmaceutical) products would be more efficient (as this enables the Group to derive synergies from the existing production operation of, in the present case, Beijing Genetech) and cost-effective than constructing its own manufacturing facilities since the Company does not need to spend extra capital and time for planning and constructing a manufacturing facilities.

The Directors believe that an integrated process from research, manufacturing to distribution will enable the Company to:

- have complete control over the operations of the production facilities, the manufacturing process and efficiencies which, in turn, can enhance quality control of its products;
- achieve cost saving purpose of the Group as the manufacturing process of the pharmaceutical products is not required to be wholly outsourced;
- create a platform for the Company to further develop its bio-science related business, consolidate further its market position, enhance the Group’s market share and maintain overall competitiveness in the bio-science related industry in the long run; and
- enhance the Group’s financial performance and pave the way for realizing shareholder value in the long term.

Accordingly, the Directors (including the independent non-executive Directors) consider that the terms of the Acquisition Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The Company will continue to adopt a prudent expansion plan for its new bio-science related business through, among others, identifying investment opportunities with potentials to improve the financial performance of the Group and seeking out cooperation with reputable domestic and/or international research institutes of new products, new technology and new technique.



## **IMPLICATION UNDER THE LISTING RULES**

As the applicable percentage ratios under the Listing Rules of the Acquisition is more than 5% but less than 25%, the transactions contemplated under the Acquisition Agreement constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, no Shareholder has any material interest in the Acquisition as at the date of this announcement.

## **ALLOTMENT AND ISSUE OF CONSIDERATION SHARES**

At the 2006 AGM, the issued ordinary share capital of the Company was HK\$868,000,000 comprising 868,000,000 Shares.

The Board was granted the Existing General Mandate at the 2006 AGM to allot, issue and otherwise deal in up to 173,600,000 Shares, representing 20% of the share capital of the Company in issue on the date of the 2006 AGM. The Existing General Mandate has not been exercised at all as at the date of this announcement. Accordingly, the maximum number of new Shares which can be issued pursuant to the Existing General Mandate is 173,600,000 Shares (without taking into account the 80 million Consideration Shares to be allotted and issued in part payment of the Acquisition Consideration as disclosed above).

In contemplation of the Acquisition, the 80 million Consideration Shares will be allotted and issued under the Existing General Mandate granted to the Directors at the 2006 AGM.

## **INFORMATION ON THE GROUP**

The principal activity of the Company is investment holding.

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

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

The Company has not undertaken any fund raising activities within the 12 months immediately prior to the date of this announcement other than the following:

- (a) 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 FUTL Acquisition and the balance of HK\$15.4 million was utilised as general working capital of the Group;
- (b) 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 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 FUTL Acquisition;
- (c) as disclosed in the Company's announcement dated 4 August 2006, the Company raised net proceeds of approximately HK\$269.7 million from the placing of 108,000,000 new Shares (the "**Placing Shares**") to Chow Tai Fook Nominee Limited at the placing price of HK\$2.5 per Placing Share under a placing agreement dated 4 August 2006. An amount of HK\$230 million out of the net proceeds will be utilized for funding the cash portion of the Consideration for the Acquisition while the remaining balance of the net proceeds is retained by the Group as working capital.

The use of proceeds derived from the open offer, the issue of the convertible bonds and the placing was in line with the disclosure previously made by the Company in the relevant announcements.

## **SHAREHOLDERS' CIRCULAR**

A circular containing, among other things, further details of the Acquisition and the recommendations of the Board will be despatched to the Shareholders as soon as practicable.

## **SUSPENSION AND RESUMPTION OF TRADING**

Trading in the securities on the main board of the Stock Exchange was suspended with effect from 9:30 a.m. on 28 November 2006 at the request of the Company pending the publication of this announcement. Application has been made to the Stock Exchange for the resumption of trading of Shares with effect from 9:30 a.m. on 29 November 2006.

## TERMS USED IN THIS ANNOUNCEMENT

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

“Acquisition”	(i) the acquisition by the Purchaser from the Vendors of the entire issued share capital of Nan Hoo and (ii) the purchase by the Purchaser from one of the Vendors of the Loan pursuant to the Acquisition Agreement
“Acquisition Agreement”	the conditional sale and purchase agreement dated 27 November 2006 entered into between the Vendors and the Purchaser in relation to the Acquisition
“Acquisition Consideration”	the total consideration of HK\$454 million payable by the Purchaser to the Vendors for the Acquisition pursuant to the Acquisition Agreement
“associates”	has the meaning ascribed to it under the Listing Rules
“Automatic Result”	Automatic Result Limited, a company incorporated in the British Virgin Islands with limited liability, which is solely and beneficially owned by Mr Tong and of which Mr Liu is the sole director.
“Beijing Genetech”	北京博康健基因科技有限公司 (Beijing Genetech Pharmaceutical Co., Ltd.), a wholly foreign owned enterprise established in the PRC under the laws of PRC on 6 December 2002
“Board”	the board of Directors
“Business Day”	a day, other than Saturday, on which banks in the Hong Kong are open for business
“BVI”	the British Virgin Islands
“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
“Completion”	completion of the Acquisition
“Completion Date”	the date on which completion of the Acquisition will take place, being within five Business Days after the fulfilment of all the conditions set out in the sub-paragraph headed “Conditions for the Acquisition” in the paragraph headed “The Acquisition Agreement” in this announcement
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Consideration Shares”	80 million new Shares to be allotted and issued to the Vendors at the issue price of HK\$2.80 per Share, being part of the Acquisition Consideration payable by the Purchaser to the Vendors pursuant to the Acquisition Agreement
“DG-Pharmaceutical”	Dongguan Shi Bo Kang Jian Pharmaceutical Technology Co., Ltd., a limited company enterprise established in the PRC on 9 September 2002
“Director(s)”	director(s) of the Company
“Dongguan-Tai Li”	東莞太力綠色環保科技有限公司 (transliteration into English as Dongguan Tai Li Green Environmental Technology Company Limited), a wholly-foreign owned enterprise established in the PRC on 25 September 2002 and the beneficial owner of 100% of the registered capital of DG-Pharmaceutical
“Existing General Mandate”	the general mandate granted to the Directors at the 2006 AGM to allot, issue or otherwise deal in up to 173,600,000 Shares
“FUTL”	Figures Up Trading Limited
“FUTL Acquisition”	the acquisition by Lelion, 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

“FUTL Group”	Figures Up and its subsidiaries (including Dongguan-Tai Li and DG-Pharmaceutical)
“GMP”	Good Manufacturing Practice, being the guideline and regulations issued pursuant to the PRC laws by SFDA in respect of certain quality standards to be adopted in the pharmaceutical industry in the PRC
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a party and, if applicable, the ultimate beneficial owner of the party who is independent of the Company and connected persons of the Company
“Loan”	the sum of approximately RMB\$174,000,400 (equivalent to approximately HK\$170,588,627), being the unsecured, interest-free loan with no fixed repayment date advanced by Leung, being one of the Vendors, to the Target Group, which remained outstanding as at the date of this announcement
“Lelion” or “Purchaser”	Lelion Holdings Limited, a company incorporated in the BVI and a wholly owned subsidiary of the Company, whose principal activities is investment holding
“Listing Committee”	the listing sub-committee of the directors of the Stock Exchange elected or appointed in accordance with the Articles of Association of the Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	31 December 2006
“Mr Liu”	Mr Liu Guoyao, an executive Director and the sole director of Automatic Result
“Mr Tong”	Mr Tong Kit Shing, the chairman and an executive Director of the Company, and the sole beneficial owner of Automatic Result
“Nan Hoo”	Nan Hoo Properties Limited, a company incorporated in the BVI with limited liability, which is solely and beneficially owned by the Vendors
“PRC”	The People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Sale Shares”	the 50,000 ordinary shares of US\$1 par value each in the issued share capital of Nan Hoo beneficially held by the Vendors, representing the entire issued share capital of Nan Hoo
“SFDA”	the State Food and Drug Administration of the PRC (國家食品藥品監督管理局), the institution directly under the State Council of the PRC (中國國務院), which is responsible for overseeing the safety management of, foods, healthcare products and cosmetics and is in charge of the drugs administration
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	ordinary Share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	Nan Hoo and Beijing Genetech
“Vendors”	Leung Kar Loon Stanley, Yuen King Tak Soon and Ho Yik Leung

“2006 AGM” the annual general meeting of the Company held on 22 September 2006  
“HK\$” Hong Kong dollars, the lawful currency of Hong Kong  
“%” per cent.

*Translation of RMB into Hong Kong dollars is based on the exchange rate of (i) HK\$1.00 to RMB1.06 for the year ended 31 December 2004, (ii) HK\$1.00 to RMB1.04 for the year ended 31 December 2005 and (iii) HK\$1.00 to RMB1.02 for 2006.*

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

Hong Kong, 28 November 2006

*As at the date of this announcement, the executive Directors are Mr. Tong Kit Shing (Chairman), Mr. Liu Guoyao (Chief Executive Officer) and Mr. Cheng Wai Man; the independent non-executive Directors are Mr. Zhou Yaoming, 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.