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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  
Zethanel Properties Limited  
(involving allotment and issue of Consideration Shares)**

**(B) GRANT OF SPECIAL MANDATE**

**(C) CHANGE OF TIMETABLE FOR ENTITLEMENT TO  
FINAL DIVIDEND AND BONUS ISSUE**

**and**

**(D) RESUMPTION OF TRADING**

**Financial Adviser to the Company**



**REXCAPITAL (Hong Kong) Limited**

**SUMMARY**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

Reference is made to the announcement of the Company dated 3 July 2007 in respect of the entering into of the Exclusivity Agreement to facilitate the Company's assessment of the feasibility, and continuous negotiation with the Vendors, of the Acquisition.

**Proposed Acquisition**

The Board is pleased to announce that there is a breakthrough in the progress of the Acquisition and after the close of trading hours on 23 July 2007, Lelion (a wholly owned subsidiary of the Company) and the Vendors entered into the conditional Acquisition Agreement for the sale and purchase of the entire issued share capital of Zethanel for a total consideration of HK\$366,685,000.

The Target Group (comprising Zethanel and its sole subsidiary, Shenzhen Watsin) is principally engaged in the development, manufacturing and marketing of bio-pharmaceutical products.

The Vendors will, at the sole election of the Purchaser, receive either (i) equity from the Company or (ii) a combination of cash and equity from the Company in settlement of the Acquisition Consideration as disclosed in this announcement.

### **Grant of Special Mandate**

In contemplation of the Acquisition, the Company will seek the grant of the Special Mandate from the Shareholders at the EGM to cover the allotment and issue of the Consideration Shares (to the extent necessary) pursuant to the terms of the Acquisition Agreement.

### **Implication of 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.

**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.**

### **Circular**

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

### **Change of timetable for entitlement to Final Dividend and Bonus Issue**

In contemplation of the Acquisition and given that the Company is yet to decide the exact source of funding for the Acquisition, the Board considers it prudent to maintain sufficient liquidity and working capital for the Company prior to the Acquisition Completion. Accordingly, the Board has resolved to change the timetable (as set out in the circular of the Company dated 10 July 2007) for entitlement to the Final Dividend and the Bonus Issue in the manner stated in this announcement. For the avoidance of doubt, the change of timetable is not conditional upon the Acquisition Completion.

### **Suspension and resumption of trading in the Company's securities**

At the request of the Company, trading in the securities of the Company was suspended with effect from 9:30 a.m. on 24 July 2007 pending the publication of this announcement and will remain suspended in the morning of 25 July 2007 to allow sufficient time for investors of the Company to consider the published information. An application has been made to the Stock Exchange for the resumption of trading in the securities of the Company with effect from 2:30 p.m. on 25 July 2007.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

Reference is made to the announcement of the Company dated 3 July 2007 in respect of the entering into of the Exclusivity Agreement to facilitate the Company's assessment of the feasibility, and continuous negotiation with the Vendors, of the Acquisition.

The Board is pleased to announce that there is a breakthrough in the progress of the Acquisition and the parties to the Exclusivity Agreement have after the close of trading hours on 23 July 2007 entered into the Acquisition Agreement subject to and upon the principal terms summarised below.

## **THE ACQUISITION AGREEMENT**

### **Date**

23 July 2007

### **Parties**

Vendors : Lau Judy (“**Lau**”) and Choi Woon Man (“**Choi**”)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendors is (i) an Independent Third Party and does not hold any position with the Company or its connected persons (as defined in the Listing Rules), (ii) has no previous transactions with the Group which requires aggregation under Rule 14.22 of the Listing Rules and (iii) has no relationship with the Group or its connected persons other than the contractual relationship arising from the entering into of the Exclusivity Agreement and the Acquisition Agreement and the commercial relationship as disclosed in this announcement.

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

### **Assets to be acquired**

The Sale Shares, which comprise the entire issued share capital of Zethanel.

Zethanel is an investment holding company and its sole asset is the holding of the entire equity interest in Shenzhen Watsin, the operating subsidiary of the Target Group.

Further information on the Target Group is set out in the paragraph headed “Information on the Target Group” below.

### **Consideration for the Acquisition**

The total consideration for the Acquisition is HK\$366,685,000, which is to be allocated between the Vendors equally and satisfied, at the sole election of the Purchaser, in one of the following options upon the Acquisition Completion:

#### *Option (1)*

By the issue of 66,670,000 new Listco Shares as Consideration Shares, credited as fully paid, at an issue price of HK\$5.50 each by the Company to the Vendors.

*Option (2)*

- (i) up to an amount of HK\$165,000,000 in cash (the “**Cash Portion**”); and
- (ii) as to the balance of the Acquisition Consideration by the allotment and issue of new Listco Shares (with a minimum number of 36,670,000 and a maximum number of 66,670,000 Listco Shares, depending on the amount of the Cash Portion) as Consideration Shares, credited as fully paid, at an issue price of HK\$5.50 each by the Company to the Vendors.

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 (if the Purchaser elects to settle the Acquisition Consideration in the manner set out in option (2) above):

Name of Vendor	Number and percentage of the Sale Shares to be sold		Number of Consideration Shares	Value of Consideration Shares based on HK\$5.50 per Share (HK\$)	Cash Consideration (HK\$)	Total Consideration (HK\$)
Lau Judy	5,000	50%	18,335,000	\$100,842,500	\$82,500,000	\$183,342,500
Choi Woon Man	5,000	50%	18,335,000	\$100,842,500	\$82,500,000	\$183,342,500
Total:	<u>10,000</u>	<u>100%</u>	<u>36,670,000</u>	<u>\$201,685,000</u>	<u>\$165,000,000</u>	<u>\$366,685,000</u>

If the Purchaser elects to settle the Acquisition Consideration in the manner set out in option (2) above and as regards the Cash Portion of the Acquisition Consideration:

- a sum of HK\$1,000,000 being deposit money, is paid by the Purchaser to the Vendors upon signing of the Acquisition Agreement. For this purpose, the earnest money paid by the Purchaser upon signing of the Exclusivity Agreement will be and has been treated as and applied towards payment of the deposit money in full.
- the balance of up to the amount of HK\$ 164,000,000 will be paid by the Purchaser to the Vendors upon the Acquisition Completion. The Company currently envisages that such balance is expected to be met by the Group’s internal resources or funded by external financial resources from bank or financial institutions on terms satisfactory to the Company but no decision has yet been made by the Company regarding the exact source of funding for the Acquisition. Further details of any funding arrangement will be disclosed in the circular to be despatched to the Shareholders.

If (i) the Purchaser elects to settle the Acquisition Consideration entirely by the issue of the Consideration Shares or (ii) the Acquisition Completion fails to take place on or before the Completion Date or (iii) the Acquisition Agreement is terminated prior to the Acquisition 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 deposit to the Purchaser without interest (if such return is made within seven Business Days after the date of receipt of such notice from the Purchaser, otherwise interest will accrue at the rate of 3% per annum from the date for repayment to the Purchaser of the deposit up to and inclusive of the actual date of repayment).

### **Basis of consideration for the Acquisition**

The Acquisition Consideration has been agreed between the Vendors and the Purchaser based on arm's length negotiations with reference to, among other factors, the consolidated profit after taxation of the Target Group for the year ended 31 December 2006 of approximately RMB21.5 million (or approximately HK\$21.5 million), (ii) the synergies to be brought about to the Group through the Acquisition and (iii) the expertise of the management team of the Target Group who have indicated their intention to stay with, and integrate into the other bio-science and pharmaceutical related operations of the Group.

The Acquisition Consideration values the Target Group at approximately HK\$366.7 million, which represents a price-to-book multiple of approximately 2.5 times of the net asset value of the Target Group as at 31 March 2007. The price-to-book multiple of approximately 2.5 times represents a substantial discount to the average of prevailing price-to-book multiples of approximately 9.6 times (Source: Reuters as at 23 July 2007) of 16 comparable companies which were selected based on criteria including that the companies are (i) in the pharmaceutical and healthcare related industry; (ii) with operations in the PRC and (iii) currently listed in Hong Kong.

On the above basis, the Board (including the independent non-executive Directors) considers the terms of the Acquisition Agreement (including the consideration for the Acquisition at HK\$366.7 million) are on normal commercial terms, fair and reasonable, and in the interest of the Company and its shareholders as a whole.

### **Consideration Shares**

As at the date of this announcement, there were a total of 1,068,000,280 Listco Shares in issue.

The maximum number of 66,670,000 Consideration Shares that may be required to be allotted and issued under the Acquisition Agreement (if so elects by the Purchaser at its sole discretion) represent approximately 6.24% of the existing issued share capital and approximately 5.88% of the enlarged issued share capital of the Company immediately after the Acquisition.

The aggregate nominal value and the aggregate market value of the maximum number of 66,670,000 Consideration Shares on the Last Trading Day is HK\$6,667,000 and HK\$444,022,200 respectively.

The issue price of each Consideration Share is HK\$5.50 which represents:

- (a) a discount of approximately 17.4% to the closing price of HK\$6.66 per Listco Share as quoted on the Stock Exchange on the Last Trading Day;

- (b) a discount of approximately 8.5% to the average closing price of HK\$6.01 per Listco Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (c) a premium of 414% to the audited net asset value of the Company of approximately HK\$1.07 per Listco Share as at 31 March 2007.

The Directors (including the independent non-executive Directors) considered that the issue price per Consideration Share is fair and reasonable.

Except for the restriction imposed on the Consideration Shares under the non-disposal undertaking disclosed below, the Consideration Shares shall rank pari passu in all respects with the existing Listco Shares in issue on the date of allotment of the Consideration Shares.

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 the Acquisition Completion:

#### *First Scenario –*

*Assuming the Acquisition Consideration is to be settled in full by the allotment and issue of an aggregate of 66,670,000 Consideration Shares*

	Existing shareholding structure		Shareholding structure upon completion of the Acquisition	
	<i>No. of Listco Shares</i>	<i>%</i>	<i>No. of Listco Shares</i>	<i>%</i>
Automatic Result Limited (“ARL”) <i>(Note 1)</i>	348,058,248	32.59	348,058,248	30.67
<b>Public Shareholders</b>				
Lau Judy	–	–	33,335,000	2.94
Choi Woon Man	–	–	33,335,000	2.94
World Eagle International Limited <b>(“World Eagle”)</b> <i>(Note 2)</i>	69,500,000	6.51	69,500,000	6.13
Other Public Shareholders	650,442,032	60.90	650,442,032	57.32
<b>Sub-total of public shareholders:</b>	719,942,032	67.41	786,612,032	69.33
<b>TOTAL:</b>	<b>1,068,000,280</b>	<b>100.00</b>	<b>1,134,670,280</b>	<b>100.00</b>

*Second Scenario –*

*Assuming the Acquisition Consideration is to be settled partly in cash (in the maximum amount of HK\$165,000,000) and the balance of HK\$201,685,000 by the allotment and issue of Consideration Shares (resulting in the minimum number of an aggregate of 36,670,000 Consideration Shares being issued)*

	Existing shareholding structure		Shareholding structure upon completion of the Acquisition	
	No. of Listco Shares	%	No. of Listco Shares	%
Automatic Result Limited (“ARL”) (Note 1)	348,058,248	32.59	348,058,248	31.51
<b>Public Shareholders</b>				
Lau Judy	–	–	18,335,000	1.66
Choi Woon Man	–	–	18,335,000	1.66
World Eagle International Limited (“World Eagle”) (Note 2)	69,500,000	6.51	69,500,000	6.29
Other Public Shareholders	650,442,032	60.90	650,442,032	58.88
<b>Sub-total of public shareholders:</b>	719,942,032	67.41	756,612,032	68.49
<b>TOTAL:</b>	<b>1,068,000,280</b>	<b>100.00</b>	<b>1,104,670,280</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 Listco Shares held by ARL by virtue of the SFO.

For the avoidance of doubt, the number of Listco Shares held by ARL does not take into account any Listco Shares that may fall to be allotted and issued upon exercise of the subscription right attaching to the warrants (the “Warrants”) issued by the Company by way of bonus issue (the “Bonus Warrants Issue”) (as disclosed in the announcement of the Company dated 25 August 2006) entitling the holders to subscribe in cash for new Listco Shares at the subscription price of HK\$5.00 per Listco Share (subject to adjustment) on the basis of two warrants for every 10 existing Listco Shares held on 22 September 2006 as constituted by an instrument by way of deed poll dated 29 September 2006 executed by the Company.

- (2) World Eagle is a company incorporated in the BVI and is beneficially and wholly owned by Mr Ming Kar Fook Charles. Mr Ming Kar Fook Charles currently does not hold any position with the Company or any of its subsidiaries. For the avoidance of doubt, the number of Listco Shares held by World Eagle does not take into account any Listco Shares that may fall to be allotted and issued upon exercise by World Eagle of the subscription right attaching to the Warrants held by it under the Bonus Warrants Issue.

Should the Acquisition Completion take place and the Consideration Shares (to the extent necessary) are to be allotted and issued prior to the revised record date (that is, 28 August 2007) for determining entitlement to the Bonus Issue as disclosed above, the Vendors would be qualified for the Bonus Issue. In that case, the number of Listco Shares to be held by each Vendor after the making of the Bonus Issue (if approved by the Shareholders at the 2007 AGM and assuming no additional Listco Shares were issued by the Company in the interim period from the date of signing of the Acquisition Agreement and the date of the Bonus Issue) will be increased to:

- (i) 233,345,000 Listco Shares (assuming the maximum number of 66,670,000 Consideration Shares were issued); and
- (ii) 128,345,000 Listco Shares (assuming the minimum number of 36,670,000 Consideration Shares were issued).

As the Bonus Issue is made on a pro-rata basis, the percentage shareholding of each Vendor after the Acquisition Completion and the Bonus Issue should remain unchanged.

Save for (i) the options carrying the rights to subscribe for up to a total of 72,000,000 Listco Shares having been granted and outstanding under the existing share option scheme of the Company and (ii) the outstanding Warrants (as disclosed in the announcement of the Company dated 25 August 2006) entitling the holders to subscribe for up to 173,599,720 Listco Shares as at the date of this announcement, there is no other outstanding equity securities of the Company as at the date of this announcement.

### **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 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.

### **Conditions for the Acquisition**

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 Shenzhen Watsin 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 Zethanel;
- (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) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Consideration Shares (or to the extent necessary); and
- (vi) 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 (vi) 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 does 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.

### **Acquisition Completion**

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

Upon the Acquisition Completion, Zethanel and Shenzhen Watsin will become indirect wholly-owned subsidiaries of the Company and the results of the Target Group will be consolidated in the Company's accounts.

## **INFORMATION ON THE TARGET GROUP**

Zethanel is an investment holding company incorporated in the BVI on 11 May 1993 and its entire issued share capital is beneficially owned by the Vendors in equal shares. The principal asset of Zethanel is the holding of the entire registered capital of Shenzhen Watsin. Save for its interest in Shenzhen Watsin, Zethanel does not carry on any business or have any material outstanding liabilities or assets.

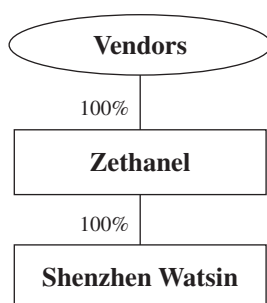
Shenzhen Watsin is a wholly-foreign owned enterprise established in the PRC and currently has a registered paid-up capital of RMB80,000,000. It is principally engaged in the development, manufacturing and marketing of bio-pharmaceutical products. Its main products are recombinant human epidermal growth factor (重組人表皮生長因子) products (“**EGF products**”) in liquid preparations primarily indicated for external use for burn and wound care. Shenzhen Watsin’s liquid spray formulation EGF has been granted a Class I prescription new drug certificate by the Ministry of Health of the PRC.

Shenzhen Watsin 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, 1st Keji Central Road, Nanshan District, Shenzhen, Guangdong, the PRC, currently has two production lines.

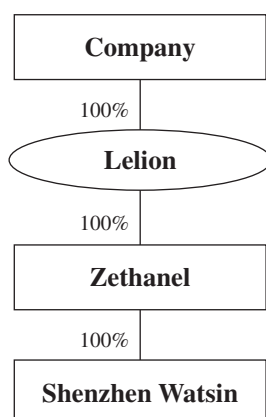
Prior to the entering into of the Exclusivity Agreement and pursuant to an exclusive distributorship agreement entered into on 31 March 2007, Shenzhen Watsin had appointed DG-Pharmaceutical (one of the PRC subsidiaries of the Company) to be its exclusive agent for the distribution and sale of EGF products in the Mainland.

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

#### *Before the Acquisition Completion*



### *Immediately after the Acquisition Completion*



### **Financial information of Target Group**

The financial information of the Target Group, which is prepared in accordance with PRC accounting standards, is set out below:

- (i) as at 31 March 2007, the unaudited net assets value of the Target Group was approximately RMB147.2 million (equivalent to approximately HK\$147.2 million);
- (ii) the unaudited net profit before tax and the unaudited net profit after tax of the Target Group for the three months ended 31 March 2007 was approximately RMB9.1 million (equivalent to approximately HK\$9.1 million) and approximately RMB7.7 million respectively (equivalent to approximately HK\$7.7 million); and
- (iii) for the years ended 31 December 2005 and 2006, the unaudited net profit before tax of the Target Group amounted to approximately RMB21.1 million (equivalent to approximately HK\$21.1 million) and approximately RMB25.4 million (equivalent to approximately HK\$25.4 million) while the unaudited net profit after tax of the Target Group for the years ended 31 December 2005 and 2006 amounted to approximately RMB17.9 million (equivalent to approximately HK\$17.9 million) and RMB21.5 million (equivalent to approximately HK\$21.5 million) respectively.

### **REASONS FOR THE ACQUISITION**

In view of the sustainable economic growth of the PRC and the increase in demand for pharmaceutical and healthcare products over the past years, the Board (including the independent non-executive Directors) is optimistic about the future prospect of the pharmaceutical and healthcare industry.

The Board (including the independent non-executive Directors) believes that the Acquisition will enable the Group to:

- (i) enlarge the scale of the existing operation of the bio-science related business of the Group and extend the geographical coverage of its products in the PRC;

- (ii) expedite the launch of more pharmaceutical and healthcare products and broaden the product range of the Group;
- (iii) consolidate further its market position and maintain overall competitiveness in the bio-science related industry in the PRC and enhance the Group's financial performance and pave the way for realizing shareholder value in the long term.

In addition, 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, Shenzhen Watsin) 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 Company adopts a prudent expansion plan for its bio-science related business through, among others, identifying investment opportunities with potential to complement or provide synergies to its bio-science related business. The Board (including the independent non-executive Directors) believes that the Acquisition, if materialised, is in the best interests of the Company and the Shareholders as a whole.

#### **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, information and belief having made all reasonable enquiries, none of the controlling Shareholder, the Directors and the chief executives of the Company and their respective associates has any material interest in the Acquisition as at the date of this announcement.

#### **GRANT OF SPECIAL MANDATE**

The Board was granted the Existing General Mandate at the February EGM to allot, issue and otherwise deal in up to 200,800,000 Listco Shares, representing 20% of the share capital of the Company in issue on the date of the February EGM. The Existing General Mandate has not been exercised at all as at the date of this announcement.

In contemplation of the Acquisition and in anticipation that the Acquisition Completion may likely be completed after the 2007 AGM (whereby the Existing General Mandate will be revoked), the Company will seek the grant of a Special Mandate from the Shareholders at the EGM to cover the allotment and issue of the Consideration Shares (to the extent necessary) pursuant to the terms of the Acquisition Agreement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders and its associates has any material interest in the Acquisition and none of them is accordingly required to abstain from voting at the resolution proposed for the approval of the grant of the Special Mandate.

## **INFORMATION ON THE GROUP**

The principal activity of the Company is investment holding.

The principal business of the Group includes (i) the manufacture and trading of packaging products, paper gifts items and promotional products and (ii) the bio-science related business.

### **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 4 August 2006, the Company raised net proceeds of approximately HK\$269.7 million from the placing of 108,000,000 new Listco Shares to Chow Tai Fook Nominee Limited under a placing agreement dated 4 August 2006. As at the date of this announcement, such net proceeds were fully utilized as general working capital to support the ongoing operations of the Group which is in line with the intended use of proceeds by the Company as disclosed in the relevant announcement.

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

## **SHAREHOLDERS' CIRCULAR**

A circular containing, among other things, further details of the Acquisition together with the notice of the EGM to be convened and held to consider and, if thought fit, approve the grant of the Special Mandate will be despatched to the Shareholders as soon as practicable.

## **CHANGE OF TIMETABLE FOR ENTITLEMENT TO THE PROPOSED FINAL DIVIDEND AND PROPOSED BONUS ISSUE**

In the announcement dated 29 June 2007 of the audited consolidated results of the Group for the financial year ended 31 March 2007, the Directors proposed the Final Dividend and the Bonus Issue (which are subject to the approval by the Shareholders at the 2007 AGM).

In contemplation of the Acquisition and given that the Company is yet to decide the exact source of funding for the Acquisition, the Board considers it prudent and in the interests of the Company and the Shareholders as a whole to defer the making of the Final Dividend and the Bonus Issue as detailed in the circular despatched by the Company to the Shareholders on 10 July 2007 to a later date in order to maintain sufficient liquidity and working capital for the Company prior to the Acquisition Completion. Accordingly, the Board has resolved to change the expected timetable for entitlement to the Final Dividend and the Bonus Issue as set out below:

2007

Record Date for determining entitlement to the right to attend and vote at the 2007 AGM .....	Monday, 6 August
Latest time for lodging forms of proxy for the 2007 AGM .....	11:00 a.m. on Saturday, 4 August
2007 AGM .....	11:00 a.m. on Monday, 6 August
Latest day of dealings in Listco Shares cum-entitlements to the Final Dividend and the Bonus Issue .....	Tuesday, 21 August
First day of dealing in Listco Shares ex-entitlements to the Final Dividend and the Bonus Issue .....	Wednesday, 22 August
Latest time for lodging transfers for entitlement to the Final Dividend and the Bonus Issue .....	4:30 p.m. on Thursday, 23 August
Book close period (both days inclusive) .....	From Friday, 24 August to Tuesday, 28 August
Record Date for determining entitlement to the Final Dividend and the Bonus Issue .....	Tuesday, 28 August
Register re-opens .....	Wednesday, 29 August
Despatch of dividend cheques for Final Dividend and certificates for Bonus Shares .....	Friday, 31 August
First date of dealing in Bonus Shares .....	On or about, Tuesday 4 September

*Note:*

All times in this circular refer to Hong Kong time.

For the avoidance of doubt, the change of the above timetable is not conditional upon the Acquisition Completion.

### **Closure of register of members to determine entitlement to Final Dividend and Bonus Issue**

The register of members of the Company will be closed from Friday, 24 August 2007 to Tuesday, 28 August 2007 (both dates inclusive) in order to determine entitlement of Shareholders to the Final Dividend and the Bonus Issue during which no transfer of Shares can be registered. In order to qualify for the Final Dividend and the Bonus Issue, all transfer documents, together with the relevant title documents, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Abacus Share Registrars Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 23 August 2007.

### **SUSPENSION AND RESUMPTION OF TRADING IN THE COMPANY'S SECURITIES**

Trading in the securities on the main board of the Stock Exchange was suspended with effect from 9:30 a.m. on 24 July 2007 at the request of the Company pending the publication of this announcement and will remain suspended in the morning of 25 July 2007 to allow sufficient time for investors of the Company to consider the published information. Application has been made to the Stock Exchange for the resumption of trading of securities with effect from 2:30 p.m. on 25 July 2007.

### **TERMS USED IN THIS ANNOUNCEMENT**

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

“Acquisition”	the acquisition by the Purchaser from the Vendors of the Sale Shares, subject to and upon the terms and conditions of the Acquisition Agreement
“Acquisition Agreement”	the conditional sale and purchase agreement dated 23 July 2007 entered into between the Vendors and the Purchaser in relation to the Acquisition
“Acquisition Completion”	completion of the Acquisition
“Acquisition Consideration”	the total consideration of HK\$366,685,000 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
“Board”	the board of Directors
“Bonus Issue”	the proposed issue of Bonus Shares

“Bonus Shares”	the Listco Shares to be issued by way of bonus on the basis of six bonus Listco Shares for every one existing Listco Share as set out in the circular of the Company dated 10 July 2007
“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 Date”	the date on which Completion takes place, being the third Business Day after the fulfilment of all the Conditions (or such other date as the parties to the Acquisition Agreement may agree in writing)
“Conditions”	the conditions precedent to the Acquisition Completion as set out in the Acquisition Agreement and summarised 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”	a maximum of 66,670,000 new Listco Shares to be allotted and issued to the Vendors at the issue price of HK\$5.50 per Listco Share, in settlement of the Acquisition Consideration payable by the Purchaser to the Vendors pursuant to the Acquisition Agreement (if so elects by the Purchaser at its sole discretion)
“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
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the grant of the Special Mandate
“Exclusivity Agreement”	the exclusivity agreement dated 2 July 2007 entered into between Lelion and the Vendors setting out the exclusivity provision and other basic understanding between the parties thereto in connection with the Acquisition



“Existing General Mandate”	the general mandate approved and granted to the Directors at the February EGM to allot, issue or otherwise deal in up to 200,800,000 Listco Shares, representing 20% of the issued share capital of the Company at the date of the February EGM
“February EGM”	the extraordinary general meeting of the Company held on 1 February 2007 at which the Existing General Mandate was granted by the then Shareholders
“Final Dividend”	the proposed final cash dividend of HK\$1.1 cents per Listco Share for the financial year ended 31 March 2007
“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
“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
“Listco Shares”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“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”	20 August 2007
“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

“PRC”	The People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Sale Shares”	the 10,000 ordinary shares of US\$1 par value each in the issued share capital of Zethanel beneficially held by the Vendors in equal shares, representing the entire issued share capital of Zethanel
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of Listco Shares
“Shenzhen Watsin”	深圳市華生元基因工程發展有限公司 (transliteration into English as Shenzhen Watsin Genetech Co., Ltd.), a wholly foreign owned enterprise established in the PRC on 22 April 1997 and the only subsidiary of Zethanel as at the date of this announcement
“Special Mandate”	a special mandate to allot and issue Listco Shares to be sought from the Shareholders at the EGM to satisfy the allotment and issue of the Consideration Shares (to the extent necessary) upon the Acquisition Completion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	Zethanel and Shenzhen Watsin
“Vendors”	Lau Judy and Choi Woon Man
“Zethanel”	Zethanel Properties Limited, a company incorporated in the BVI with limited liability on 11 May 1993, which is beneficially owned by the Vendors in equal shares
“2007 AGM”	the annual general meeting of the Company convened to be held on 6 August 2007
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

*For the purpose of this announcement, conversion 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, (iii) HK\$1.00 to RMB1.00 for the year ended 31 December 2006 and (iv) HK\$1.00 to RMB0.99 for 2007.*

*The exchange rates have been used, where applicable, for the purposes of illustration only and do not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.*

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

Hong Kong, 24 July 2007

\* *For identification purposes only*

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