



[For Immediate Release]

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(Stock code: 0690)

### 2018 Interim Results

## Enhanced Market Penetration of Core Marketed Products Pipeline Product Uni-PTH is Expected to Launch in 2019

[24 August 2018 – Hong Kong] A fully integrated biopharmaceutical company – **Uni-Bio Science Group Limited** (“Uni-Bio Science”, together with its subsidiaries referred to as the “Group”, stock code: 0690.HK), is pleased to announce its interim results for the period ended 30 June 2018 (the “Period” or “1H2018”), as well as its comparatively figures for the six months ended 30 June 2017 (“1H2017”).

### Key Accomplishments in 1H2018

During the Period, the Group’s marketed products, namely GeneTime<sup>®</sup>, GeneSoft<sup>®</sup>, Pinup<sup>®</sup> and Bokangtai have made steady progress respectively, while solid accomplishments have been achieved for the products in pipeline. The key highlights include:

1. During the Period, the Group also fostered the strategic cooperation with Beijing Baiao Pharmaceutical Co., Ltd (“Beijing Baiao”) to jointly develop and market the Acarbose tablets project. With an estimated market value of US\$3.2 billion, Acarbose tablets is an oral anti-diabetic drug which is used to treat Type 2 diabetes and is reimbursed under the National Reimbursement Drug List (“NRDL”) Class A. Both parties shall jointly bear the relevant expenses on project research. In the marketing stage, the Group shall be responsible for pre-launch declaration and registration, post-launch production and sales. While Beijing Baiao Pharmaceutical, pursuant to the said agreement, shall be responsible for the post-launch



promotion in markets of designated provinces and invest to acquire interests in Acarbose tablets products as well as be entitled to future marketing revenue.

2. During the Period, core marketed products have successfully won additional provincial tendering amid the tightened pressure on pricing. In particular, Pinup<sup>®</sup> tapped into the Guizhou market, bringing its national network coverage to 33 provinces. Bokangtai entered into Shandong, Guangxi and Xinjiang provinces, bringing the total distribution coverage to 12 provinces.
3. Currently, the Group is collaborating with Jiangsu Hansoh Pharmaceutical Group Co., Ltd. to conduct BE study on BoKangtai. The preparation work was commenced and the BE on-line registration is scheduled to submit in this year. Approval is expected to be obtained in 2020.
4. Uni-PTH, a biosimilar of Forteo (Teriparatide), which is used to treat osteoporosis has come to the last stage of China Food and Drug Administration (“CFDA”) approval. It is expected to launch in 2019 and aiming to be the 2<sup>nd</sup> of such products to launch in the PRC.
5. Uni-E4 is a proprietary innovative drug for the treatment of Type II diabetes. After the meeting with CDE, it is highly likely that the liquid formulation of Uni-E4 will be allowed to conduct bioequivalence study (“BE study”) and Phase III clinical study directly.
6. Uni-EPO-Fc is a long acting version of EPO, which can increase the maturation of red blood cell. Pre-clinical trials of Uni-EPO-Fc had completed and the pre-clinical Phase I study will continue as soon as CDE conducts drug review in 2018.
7. GeneTime<sup>®</sup>, one of the Group’s core products, is a prescription biological drug for wound healing. Its effect in healing ranges from mere burns and dermatology to obstetrics and plastic surgery. During the Period, revenue generated from GeneTime<sup>®</sup> 15ml totaled HK\$28.4 million, representing a solid year-on-year basis (“YoY”) growth of 25.7%. GeneSoft<sup>®</sup>, mainly used for the treatment of corneal ulcer in the field of ophthalmology, has recorded a sharp increase in revenue from approximately HK\$8.1 million to HK\$15.1 million, representing a YoY growth of 86.0%.
8. The contribution of biopharmaceutical drugs in sales revenue and gross profit has continued to



increase, indicating the Group is smoothly transforming into an integrated bio-pharmaceutical company with extending through the whole industry chain. The endocrinology-related pipeline products are expected to be the strongest driver in the short term.

Other than the above accomplishments at the product level, the Group has also progressed with the strategic collaborations to further widen its value chain as well as product reach.

1. Following the formation of strategic alliance with HeungKong Group last year, the Group continued to strengthen the collaborations to explore potentials for merger and acquisitions (“M&A”) worldwide.

### Interim Results

In 1H2018, the Group recorded a turnover of HK\$59.6 million, representing a moderate decrease of approximately 5.3% YoY, from HK\$62.9 million in 1H2017. The decrease in turnover was mainly attributable to an unexpected one-off incident, which negatively impacted GeneTime<sup>®</sup>, as well as a decrease in sales of Pinup<sup>®</sup> due to mounting pressure from the environment. Gross profit decreased slightly by 1.7% to approximately HK\$51.6 million (1H2017: HK\$52.5 million). The gross profit margin increased by 3.2 percentage points to 86.6% as compared to 83.4% in the same period last year, as some of the Group’s marketed drugs enjoyed limited competitions, which placed the Group at a better position for price negotiation.

During the Period, the Group has continued to expand its sales team by increasing direct sales personnel and through restructuring and re-organization. The Group’s goal is to further enlarge its direct sales channel, build solid rapport with more hospitals and adapt to the “two-invoice” system. In addition, significant marketing expenses were invested to promote Bokangtai, the new product that launched in 2017. The result is promising with Bokangtai successfully entered into three new provinces. Moreover, the Group decided to make an one-off expense to minimize any potential impact may have been caused by the incident of GeneTime<sup>®</sup> mentioned above. Therefore, the selling and distribution expenses increased from HK\$27.1 million in 1H2017 to HK\$59.5 million in 1H2018, representing an increase of 119.8%. In light of this, the Group recorded a loss of HK\$63.2 million during the Period with a basic loss per share of HK\$1.02 cents.

### Prospects

For the second half of 2018, the zero price mark-up policy and the provincial tender price cuts, as well as the approaching deadline for chemical generics quality and efficacy consistency will continue to appear as uncertainties for drug manufacturers in the PRC. Moreover, the CFDA issued



guidelines relating to the evaluation of consistent quality and efficacy of generics, which apply to domestically-produced and imported generic drugs. Such guideline requires pharmaceutical manufacturers to better allocate and utilize their resources and R&D capability by focusing on compelling product. However, with the sustainable organic growth in some sub-segments like diabetes market and favorable national environment supporting innovation, the Group believes that potential growth opportunities still exist.

**Mr. Kingsley Leung**, Chairman of Uni-Bio Science, commented “we have pursued the strategy of accelerating the BE of Pinup<sup>®</sup>, Bokangtai and Acarbose tablets, in view to strengthen our competitiveness in the future. Such move will be posing a higher entry barrier for followers. The BE of Pinup<sup>®</sup>, Bokangtai is scheduled to be completed in 2020 and 2021, respectively.”

**Mr. Leung continued**, “On the other hand, the Group will also focus on opportunities in fast growing sub-segments, such as the diabetes market. Acarbose tablet, one of the major compounds of  $\alpha$ -Glucosidase inhibitors with limited competitors in China, is the Group’s key R&D project in the second half of 2018. Together with Beijing Baiao, the related BE of our Acarbose tablet have been initiated shortly. We are confident that we will be the first batch of manufactures to apply for production approval and the application for marketing is expected to be submitted in the first half of 2019.”

**Mr. Leung further commented**, “We will continue to keep a keen eye on M&A opportunities, aiming to further diversify our geographical coverage in Northeast and Central China, so as to pursue advanced technologies. By fully leveraging on our resources and advantages in the second half of 2018 and beyond, we hope to move ambitiously for greater market penetration. With steady progress being made for our marketed drugs and drugs in the pipeline, the Group will strive to generate the best return to our supportive shareholders.”

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### **About Uni-Bio Science Group Limited**

Uni-Bio Science Group Limited, a leading integrated biopharmaceutical company, is principally engaged in the research and development, manufacture and distribution of pharmaceutical products. The research and development center located in Dongguan, PRC is fully equipped with a complete system for the development of genetically-engineered products with a pilot plant test base which is in line with CFDA requirements. The Group also has two GMP manufacturing bases in Beijing and Shenzhen. The Group is focused on the development of novel treatments and innovative drugs addressing the therapeutic areas of diabetes, ophthalmology and dermatology.

Uni-Bio Science Group Limited was listed on the Main Board of the Hong Kong Stock Exchange on November 12, 2001. Stock code: 0690.

This press release is issued by DLK Advisory Limited for and on behalf of **Uni-Bio Science Group Limited**.

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