



Uni-Bio Science Group Announces 2016 Interim Results

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Well-managed Tenders, Strengthened Commercial Platform and Successful Penetration of New Provinces Accelerate Business Growth

Highlights:

- Normalized sales grew 25.6%, significantly beating industry growth of 9.0%
- Normalized net loss narrowed by 14.3% thanks to increase in sales and stringent cost control
- Adjusted LBITDA narrowed by 35.4%, representing a big improvement in business performance
- Secured more provincial tenders and maintained a good price for the Group's marketed products
- Completed the first national sales partnership with China Resources Zizhu for the commercialization of GeneSoft®
- Mitiglinide launch plan underway, targeting for launch in 1Q2017
- Uni-EPO-Fc completed phase 1 single ascending dose tolerability study for the treatment of Anemia

(Hong Kong, 26 August 2016) **Uni-Bio Science Group Limited** ("Uni-Bio Science" or the "Group"; HKEx code: 690) has announced its interim results for the six months ended 30 June 2016. The Group achieved strong financial and operational performance as a result of well-managed tenders by the new Market Access department, strengthening its commercial platform, and successful penetration of new growth provinces.

For the six months ended 30 June 2016, the Group recorded a consolidated turnover of approximately HK\$69.5 million, representing an increase of 19.2% compared to the last corresponding period. Sales growth adjusted for forex fluctuations was 25.6%, which is a highly favorable performance compared to the overall PRC hospital drug sales growth of approximately 9.0%, according to IMS (May YTD). Gross profit for the period was approximately HK\$58.6 million, representing an increase of 20.6% as compared to the last corresponding period. Gross profit margin increased by 1.0% to 84.4%.

Loss narrowed by 14.7% compared to the last corresponding period to HK\$25.1 million. The Group is still recording a loss mainly due to depreciation of fixed assets and amortization of intangible assets totaling HK\$14.8 million in relation to the heavy investment in China Good Manufacturing Practice and industrialization of the pipeline products. Loss before interest, tax, depreciation, amortization, and other non-cash items ("Adjusted LBITDA") decreased by 35.4% from HK\$5.2 million in the previous period to HK\$3.4 million in the period under review. The Group maintained a healthy financial position with bank deposits, bank balances and cash amounting to HK\$91.0 million as at 30 June 2016.

Mr. KOH Phee Wah, CEO of the China Operations of Uni-Bio Science, said, *“In the first half of 2016, our operational and financial results improved mainly because of well-managed tenders. At the effort of our multi-functional task force, with our newly-established Market Access team and senior management represented, progress on provincial tendering was exceptionally favorable, especially for Pinapu®. Approximately half of the 58% growth of Pinapu® came from winning Guangdong and Fujian tenders. We were also able to preserve many provinces at a sustainable price level, which helped alleviate the impact of price erosion on our business. We are glad to see our tender management strategy starting to bear fruit and achieve a very encouraging result in the review period, and we believe this strategy will continue to drive growth of our business in the future.”*

The core elements in the two-pronged approach of the Group’s overall business strategy are international execution and accelerating growth. In line with the business strategy, one of the Group’s priorities was to expand its commercial platform to prepare for launch of two new next generation products. The Group planned to significantly expand its in-house sales team and regional distributor network and to partner with contract sales organizations or larger pharmaceutical companies to extend its sales and marketing reach across China. On 27 June 2016, the Group forged strategic alliance with China Resource Zizhu Pharmaceutical Co., Limited (“China Resources Zizhu”) to commercialize GeneSoft® nationally for a minimum of five years, with the option to extend. China Resource Zizhu will inherit the Group’s existing GeneSoft® business at a price level that will preserve the profit of the Group from this business. Furthermore, China Resources Zizhu currently has access to five times the number of hospitals covered by the Group and therefore is able to go deeper and broader in areas currently not covered by the Group without significant additional outlay. Supported by the partnership, the Group expects to see strong growth in GeneSoft® sales volume in the near future. The Group can also reallocate more resources to its faster growing products, such as Pinapu®, GeneTime® and Mitiglinide.

In addition to marketed products, the Group is also preparing for the launch of its recently acquired product - Mitiglinide and working closely with its partner Jiangsu Hansoh on the supply of the first batch of the product, targeting for launch in the first quarter of 2017. Apart from strong clinical advantages against other glinides, Mitiglinide boasts factors conducive to it gaining market share, including potential NRDL listing in 2016 and increase in market awareness with a large pharmaceutical company actively marketing it as the ideal backup first-line treatment for diabetes. Mitiglinide supplements Uni-Bio’s current endocrinology pipeline and commercial knowhow of Mitiglinide will benefit the Group before the launch of its propriety products Uni-E4 and Uni-PTH.

Over the past decade, the Group has focused on creating innovative and proprietary products with potential to deliver significant commercial value to its business. Two of the Group’s lead development products, Uni-E4 and Uni-PTH, have completed phase III studies, the last major stage of clinical development, and the Group is undertaking final preparations for securing pre-approval and commercialization. These progresses mark the significant advance and achievements made by Uni-Bio Science’s clinical team in enhancing the Group’s commercial prospects and helping the Group attain key strategic milestones. The Group has also moved forward with Uni-EPO-Fc, completing phase I single ascending dose (SAD) trial for it. This trial demonstrated that Uni-EPO-Fc was well tolerated in all dosage groups and enables the Group to progress into the next stage of development of a product with the potential to be the first long-acting EPO formulation to be launched in China.

Mr. Kingsley LEUNG, Executive Director of Uni-Bio Science, said, *“The Chinese healthcare system is evolving quickly and putting significant strain on all players in the industry. Those players who can adapt quickly and survive the changes will emerge stronger. Heeding that, we are ensuring that Uni-Bio Science is well positioned to be successful and sustainable. In the second half of 2016, we will continue to expand the commercialization platform by growing our sales team as well as through partnerships, regional or national. Apart from preparing for and ensuring a successful and strong launch of Mitiglinide, we plan to submit new drug application for Uni-E4 to CFDA, begin bioequivalent study for Pinapu[®] and complete phase I clinical trial of Uni-EPO-Fc. We will also keep a close eye on the opportunities of in-licensing or acquiring products or technologies that complement our pipeline products and support our long term vision of becoming an expert in our core therapeutic areas. With a clear development roadmap, we are well on the way to continue 'Leading Genuine Innovation' and maintain rapid growth in the market.”*

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About Uni-Bio Science Group Limited (SEHK: 0690)

Uni-Bio Science Group Limited 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 cGMP compliant manufacturing bases in Beijing and Shenzhen. The Group is focused on the development of novel treatments addressing the therapeutic areas of diabetes, ophthalmology and dermatology.

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