



Uni-Bio Science Group Announces 2016 Annual Results

* * *

Successful Tenders and Strengthening of Product Mix and Commercial Platform Boost Market Penetration Providing Strong Drivers for Future Growth

Highlights:

- Normalized sales grew 25.3%, significantly outperforming industry average growth of 8.1%
- Net loss narrowed by 6.8% as a result of strong sales growth
- Successfully secured more provincial tenders at favorable prices while substantially boosting sales volume
- The latest NRDL adds the Group's Mitiglinide and expands reimbursement scope of GeneTime[®] to all indications, providing strong drivers for future growth
- Collaboration with China Resources ZiZhu fully underway in January 2017 after a smooth transition, providing wider access for GeneSoft[®] to many new territories
- Announced strategic partnerships with LUQA Pharmaceuticals and Beijing Sun-Novo to enhance the Group's sales and development capabilities
- Announced completion of phase 1 tolerability study for Uni-EPO-Fc for treatment of anemia
- Mr. Chen Da Wei joins as Vice Chairman and Executive Director, strengthening the Group's investor network in China and execution capabilities
- On track to launch Mitiglinide in the first half of this year

(Hong Kong, 27 March 2017) **Uni-Bio Science Group Limited** ("Uni-Bio Science" or the "Group;" HKEx code: 690) has announced its annual results for the year ended 31 December 2016 ("the Year"). The Group has achieved its remarkable financial and operational performance due to the success of a number of strategic initiatives including well-managed tenders led by its tendering task force, strengthening of its commercial platform and product mix and successful product penetration into provinces such as Fujian, Tianjin and Zhejiang to facilitate growth.

During the year, Uni-Bio Science recorded a consolidated turnover of HK\$146.5 million, representing a strong growth of 18.7%. When adjusted for forex fluctuations of RMB ("normalized growth"), sales grew 25.3% in a local currency basis. Gross profit for the Year was HK\$123.9 million, representing an increase nearly as strong at 20.5% and a normalized growth of 27.2% year-on-year. Gross profit margin also grew stably to 84.6%.

Another encouraging indicator is that the operating income from marketed biological and chemical pharmaceutical products grew 25.8%, or a normalized growth of 32.7%, to HK\$24.0 million. The Group, however, is still in investment stage, hence needs to keep increasing investment in its sales force and R&D to ensure as well as speed up future growth. Related expenses taken into account, the Group was still in the red in 2016. Nevertheless, net loss narrowed by 6.8% to HK\$55.7 million in the Year. LBITDA stayed flat over the period at HK\$24.7 million. With bank deposits, bank balances and cash amounting to HK\$78.1 million as of 31 December 2016, the Group is in a strong and healthy position to execute its strategies and deliver innovations in 2017 and beyond to facilitate growth.

Mr. Kingsley LEUNG, Chairman and Executive Director of Uni-Bio Science, said, *“During the year, our steadfast adherence to our partnership model and effectively executed market access strategies are driving value for the Group. Particularly noteworthy, three strategic partnerships have been forged, substantially strengthening every point of the value chain. Progress on provincial tendering was exceptionally outstanding in 2016, as seen in our dedicated task force effectively managing tenders, securing two new major strategic markets, prosperous and populous Guangdong and Fujian provinces. These new tenders contributed half of the growth of Pinapu sales and further accelerated the expansion of its market share by 33% over the period to approximately 7% of the Voriconazole market. Through our significant achievements in 2016, we have solidified our foundation and we are confident that by executing our comprehensive strategies our business can continue to grow in the future.”*

The year 2016 witnessed the robust growth of Uni-Bio Science across a broad front of business. First, the Group concluded three major strategic alliances last year, strengthening its research and development, marketing and distribution capabilities, marking major and valuable milestones in its growth. The Group successfully signed the first national sales partnership with China Resources Zizhu Pharmaceutical Co., Ltd., which is a subsidiary of China Resources Pharmaceuticals Group focusing on ophthalmology and reproductive health drugs in China. This partnership extends the Group’s commercial reach in these fields nationwide, driving the sales growth of GeneSoft® in several key provinces and regions such as Fujian by 68.9%, Ningxia by 20.9% and Jiangsu by 15.0%. To further enrich the product portfolio, the Group has partnered with LUQA Pharmaceuticals to conduct co-promotion of selected dermatology products from both companies’ current and future portfolios and creating synergies. Also, the Group is teaming with Beijing Sun-Novo Pharmaceuticals to co-develop promising oral anti-diabetic drugs and further penetration in this fast-expanding treatment area. As a result of these collaborations, Uni-Bio Science is gaining recognition as a leading partner for global healthcare companies to bring cost-effective and innovative treatments and solutions to patients in China.

In terms of products, normalized growth of the EGF products, GeneTime® and GeneSoft® in total exceeded 10% annually in 2016 compared to just above 3% in 2015, riding on the success of the earlier expansion strategy for proprietary biological pharmaceutical products. On the other hand, the Group’s proprietary chemical pharmaceutical product, Pinapu, achieved a record high normalized growth surging 54.5%, further contributing a stable cash flow for the Group. During the Year, the Group has made major progress on the development of EPO-Fc by completing the phase 1a SAD trial. This trial showed that Uni-EPO-Fc was well-tolerated in all dose groups and enables the Group to advance the development of a product with the potential to be the first long-acting EPO formulation launched in China. Geographically, the extent of the Group’s market access progress is seen in that, as of the Year’s end, Pinapu can access 21 provinces and military hospitals, GeneTime® in 30 provinces and military hospitals and GeneSoft® in 23 provinces.

Looking at the future, Uni-Bio Science continues to advance its pipeline towards value-creating landmark innovations. Last month, the reimbursement restriction on GeneTime® has been lifted, allowing expansion of its use into new hospital departments thus continuing its positive momentum. At the same time, Mitiglinide is now officially included on the NRDL. These events represent very strong positive drivers to the Group’s revenue growth in the future. In another looming major development, the Group is now preparing for the launch of Mitiglinide, targeting the first half of 2017.

Mr. LEUNG concluded, *“The overriding trends of the healthcare industry remain strongly encouraging, such as increased health awareness amongst the public and an aging population. Complementing these trends, under the ‘Pharma Industry Development Blueprint’ of the 13th Five Year Plan, recombinant protein drugs such as GLP-1 for diabetes and advanced protein purification techniques have been specified as key biologics drug development targets. This is aligned with our ongoing strategy for drug discovery and development and ensures that, by executing this strategy, our business is well-positioned to be successful and sustainable. We are optimistic that these macro factors will create attractive business opportunities in the PRC, and we are confident in the long-term value of our marketed products in the coming years. In addition, our highly-experienced international leadership team, bolstered by the addition of Mr. Chen Da Wai as Vice Chairman and Executive Director, will continue to accelerate the growth momentum in 2017. We remain focused on developing products which are disruptive and truly innovative, while compassionately addressing the real needs of patients.”*

- End -

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 GMP 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.

Media Enquiries:

Strategic Financial Relations Limited

Veron Ng Phone: +852 2864 4831
Angelus Lau Phone: +852 2864 4805
Elaine Wang Phone: +852 2864 4862
 Fax: +852 2527 1196

Email: veron.ng@sprg.com.hk
Email: angelus.lau@sprg.com.hk
Email: elaine.wang@sprg.com.hk

WeChat ID: Unibio-IR

心 創 造 新 醫 藥
LEADING GENUINE INNOVATION

