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聯康集團

Uni-Bio Science

UNI-BIO SCIENCE GROUP LIMITED

聯康生物科技集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0690)

**CONNECTED TRANSACTION —
LEASE OF THE PREMISES**

The Board announces that on 5 May 2022, the Tenant, an indirect wholly-owned subsidiary of the Company, entered into the Lease Contract with the Landlord in respect of the Lease of the Premises for a term of ten years commencing on 1 May 2022 and ending on 30 April 2032 (both days inclusive) for the Group's certain new production facilities.

The transactions contemplated under the Lease Contract do not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, but constitutes a connected transaction of the Company for the purpose of Chapter 14A of the Listing Rules. Since the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the transactions contemplated under the Lease Contract is less than 5%, the transactions contemplated under the Lease Contract are subject to the announcement and reporting requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board announces that on 5 May 2022, the Tenant, an indirect wholly-owned subsidiary of the Company, entered into the Lease Contract with the Landlord in respect of the Lease of the Premises for a term of ten years commencing on 1 May 2022 and ending on 30 April 2032 (both days inclusive). Details of the principal terms of the Lease Contract are set out below.

* For identification purpose only

THE LEASE CONTRACT

Date	:	5 May 2022
Parties	:	(1) The Landlord (2) The Tenant
Premises	:	Two buildings situated in the Global Cosmetics (China) Company Limited Factory Area, Global Green Technology City, Tutang Industrial Zone, Changping Town, Dongguan, the PRC with a gross floor area of approximately 5,570 sq. m.
Use	:	For production, office and laboratory use.
Term	:	Commencing on 1 May 2022 and ending on 30 April 2032 (both days inclusive).

Pursuant to the Lease Contract, after the expiration of the term, the Tenant shall enjoy a priority right to lease the Premises and that the Tenant shall notify the Landlord in writing one month prior to the expiry of the Lease.

Rent-free period	:	The Tenant is entitled to a rent-free period from 1 May 2022 to 31 December 2024.
Total aggregated value of consideration payment	:	Approximately RMB5.39 million (approximately HK\$6.45 million) in aggregate.

The Tenant is responsible for the water and electricity fees incurred, except for those during the rent-free period, during the term.

The rent was determined after arm's length negotiations between the Landlord and the Tenant, taking into consideration of the prevailing market price of comparable premises in the vicinity of the Premises.

The payment of the rent will be funded by the internal resources of the Group.

RIGHT-OF-USE ASSETS

The value of the right-of-use assets recognised by the Company under the Lease is amounted to approximately HK\$4.90 million, calculated with reference to the present value of the aggregated lease payments to be made under the Lease in accordance with HKFRS 16 *Leases*.

INFORMATION OF THE PARTIES

The Tenant

The Tenant is a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company principally engaged in pharmaceutical production and wholesale, medical research and test development, bio-based material technology research and development, cell technology research and development and application, and technology development, consulting and promotion.

The Landlord

To the best of the Directors' knowledge, information and belief having made all reasonable enquires: (i) the Landlord is a limited liability company established in the PRC and principally engaged in research and development, production and sales of cosmetics, daily chemical products, disinfection products, hygiene products, medical equipment, health food, shampoo and hair care products, color cosmetics products, and provision of technical services; and (ii) the Landlord is ultimately owned as to 100% by Madam Judy Lau, the mother of Mr. Leung, an executive Director and Chairman of the Board. Accordingly, the Landlord is an associate of Madam Judy Lau who is a connected person of the Company, and thus the Landlord is a connected person of the Company under the Listing Rules.

REASONS FOR AND BENEFITS OF THE LEASE

The Group is a biopharmaceutical company focusing on diabetes and related metabolic disorders, dermatology and ophthalmology. From research and development, production, manufacturing, to sales and distribution of biopharmaceutical and chemical drugs, the Group has established a fully integrated business platform serving the entire value chain.

The Group's production facilities for the production of the Group's rhEGF (recombinant human epidermal growth factor) derivative eye drops and derivative liquid for external use products ("**Related Products**"), are currently located in Shenzhen. As the production capacity of the current facilities cannot cope with the demand for sales growth of the products, the management has decided to enter into the Lease for the Premises which will be used to house additional production lines, inspection and related facilities for the Related Products to accommodate for the expansion of the Group's business.

The Group is of the view that as the Premises is for the setting up of facilities with GMP requirements, the relevant facilities would require substantial fixed investment. The management considered that for the Lease under the Lease Contract, taking into account the size of the Premises and the related investment costs, it is reasonable for the Tenant to secure a long period of the term of the Lease so as to recover the investment costs and to ensure stability of the Group's production and operation. The proposed production facilities in the Premises can facilitate enhancement to the production of the Related Products of the Group which is in line with the long term goal of expanding capabilities of the Group and allow for the Group to cope with its forward business growth.

The terms of the Lease were determined after arm's length negotiations between the parties and with reference to the prevailing market price of comparable premises in the vicinity of the Premises. The Board (excluding Mr. Leung but including all independent non-executive Directors) considers the transactions contemplated under the Lease Contract are in the interests of the Company and the Shareholders as a whole and the terms of the Lease Contract are on normal commercial terms and fair and reasonable so far as the independent Shareholders are concerned.

IMPLICATIONS UNDER THE LISTING RULES

The transactions contemplated under the Lease Contract do not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

By virtue of the relationship between the parties as elaborated above, the Landlord is a connected person of the Company and accordingly the transactions contemplated under the Lease Contract constitute a connected transaction of the Company for the purpose of Chapter 14A of the Listing Rules. Since the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the transactions contemplated under the Lease Contract is less than 5%, the transactions contemplated under the Lease Contract are subject to the announcement and reporting requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Directors confirmed that, save for Mr. Leung, none of them has a material interest in the Lease Contract and the transactions contemplated thereunder. As such, Mr. Leung had abstained from voting on the Board resolution on proposing the Lease Contract and the transactions contemplated thereunder.

DEFINITIONS

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

“associate”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors of the Company
“Company”	Uni-Bio Science Group Limited, a company incorporated in the Cayman Islands with limited liability whose Shares are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a third party independent of the Company and the connected persons of the Company
“Landlord”	高寶化妝品(中國)有限公司 (Global Cosmetics (China) Company Limited), a limited liability company established in the PRC
“Lease”	the lease of the Premises pursuant to the Lease Contract
“Lease Contract”	the lease contract dated 5 May 2022 entered into between the Tenant and the Landlord in respect of the Lease
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Leung”	Mr. Kingsley Leung, an executive Director and the Chairman of the Board
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Premises”	Two buildings situated in the Global Cosmetics (China) Company Limited Factory Area, Global Green Technology City, Tutang Industrial Zone, Changping, Dongguan, the PRC with a gross floor area of approximately 5,570 sq. m.
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“sq. m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenant”	廣東華生元基因工程發展有限公司 (Guangdong Watsin Genetic Engineering Development Co., Ltd.*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company

Unless the context requires otherwise, the following exchange rate have been used for translation for illustration purpose only: HK\$:RMB = 1:0.8358.

On behalf of the Board
Uni-Bio Science Group Limited
Kingsley Leung
Chairman

Hong Kong, 5 May 2022

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Kingsley Leung (Chairman), Mr. Chen Dawei (Vice-Chairman) and Mr. Zhao Zhi Gang; one non-executive Director, Mr. Yau Kwok Wing Tony; and three independent non-executive Directors, namely, Mr. Chow Kai Ming, Mr. Ren Qimin and Mr. Ma Qingshan.