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)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2007

The board of directors (the "**Board**") of the Company is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 March 2007 as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2007

	Note	**2007** **HK$'000**	2006 HK$'000 (Restated)
Turnover	4	**340,894**	94,949
Cost of sales		**(155,702)**	(78,513)
Gross profit		**185,192**	16,436
Other revenue and net income	5	**18,812**	3,075
Selling and distribution expenses		**(22,479)**	(1,627)
General and administrative expenses		**(51,149)**	(24,273)
Impairment loss of goodwill		**–**	(6,538)
Impairment loss of obsolete inventories		**(3,360)**	–
Impairment loss of bad and doubtful debts		**(548)**	(8,774)
Write off of inventories		**(646)**	(8,526)
Write off of bad debts		**(287)**	(12,716)
Profit/(loss) from operations		**125,535**	(42,943)
Finance costs	6(a)	**(14,861)**	(4,130)
Gain on deconsolidation of a subsidiary		**10,147**	–
Gain on disposal of a subsidiary		**–**	1,359
Profit/(loss) before taxation	6	**120,821**	(45,714)
Income tax	7	**(60,505)**	3,554
Profit/(loss) for the year	8	**60,316**	(42,160)
Attributable to:			
Equity shareholders of the Company		**60,322**	(42,446)
Minority interests		**(6)**	286
Profit/(loss) for the year		**60,316**	(42,160)
Dividends	11	**11,044**	–
Earnings/(loss) per share	9		
Basic		**7.40 cents**	(18.34) cents
Diluted		**7.10 cents**	N/A

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2007

	Note	2007 HK$'000	2006 HK$'000
Non-current assets			
Goodwill		**557,541**	–
Property, plant and equipment		**334,549**	63,882
Leasehold land and land use rights held for own use		**14,697**	–
Intangible assets		**114,257**	–
Available-for-sale securities		**–**	–
Deferred tax assets		**1,874**	139
		1,022,918	64,021
Current assets			
Leasehold land and land use rights held for own use		**784**	–
Inventories		**15,352**	17,732
Trade receivables	12	**59,737**	16,633
Other receivables, deposits and prepayments		**142,919**	24,394
Dividend receivable		**1,100**	1,100
Tax recoverable		**219**	1
Pledged bank deposits		**13,550**	13,040
Cash and cash equivalents		**42,868**	1,888
		276,529	74,788
Current liabilities			
Trade payables	13	**30,380**	17,604
Accrued charges and other payables		**55,311**	15,704
Tax payable		**20,813**	77
Amount due to ultimate holding company		**–**	1,547
Amounts due to directors		**–**	1,903
Current portion of long-term loans		**12,645**	13,700
Current portion of obligations under finance leases		**161**	100
Trust receipts		**2,962**	2,438
Bank overdrafts, secured		**8,951**	8,360
		131,223	61,433
Net current assets		**145,306**	13,355
Total assets less current liabilities		**1,168,224**	77,376
Non-current liabilities			
Long-term loans		**36,950**	37,637
Obligations under finance leases		**202**	209
Convertible bonds		**51,876**	–
Deferred tax liabilities		**8,766**	5,926
		97,794	43,772
NET ASSETS		**1,070,430**	33,604
CAPITAL AND RESERVES			
Share capital		**100,400**	18,000
Reserves		**968,936**	14,504
Total equity attributable to equity shareholders of the Company		**1,069,336**	32,504
Minority interests		**1,094**	1,100
TOTAL EQUITY		**1,070,430**	33,604

NOTES TO CONSOLIDATED ACCOUNTS:

1. GENERAL

The Company is an exempted company incorporated with limited liability in the Cayman Islands with its shares listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Automatic Result Limited, a company incorporated in the British Virgin Islands with limited liability, is the single largest shareholder of the Company. The Company's registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong is at Room 2302, 23/F., Lippo Centre Tower II, 89 Queensway, Admiralty, Hong Kong.

The principal activity of the Company is investment holding and its subsidiaries are principally engaged in bioscience related business (with focus on the research, development and commercialisation of biopharmaceuticals through recombinant DNA and other technologies), and the manufacture and trading of package products, paper gifts items and promotional products.

The consolidated financial statements are presented in Hong Kong Dollars ("HKD"), which is the functional currency of the Company and its subsidiaries (hereinafter collectively referred to as the "Group").

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued certain new and revised HKFRSs that are first effective for accounting periods beginning on or after 1 April 2006 or available for early adoption for the current accounting period of the Group. The adoption of the new HKFRSs had no material effect on how the results for the current or prior accounting periods have been prepared and presented.

New standards, amendments or interpretations that have been issued but are not yet effective

The Group has not early applied the following new standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company ("Directors") anticipate that the application of these standards, amendments or interpretations will have no material impact to the results and the financial position of the Group.

HKAS 1 (Amendment)	Presentation of financial statements: Capital Disclosures[1]
HKFRS 7	Financial Instruments: Disclosures[1]
HK(IFRIC)-Int 8	Scope of HKFRS 2[2]
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives[3]
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment[4]
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions[5]

[1] Effective for annual periods beginning on or after 1 January 2007
[2] Effective for annual periods beginning on or after 1 May 2006
[3] Effective for annual periods beginning on or after 1 June 2006
[4] Effective for annual periods beginning on or after 1 November 2006
[5] Effective for annual periods beginning on or after 1 March 2007

3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with all applicable HKFRSs, which collectively include all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules").

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting periods. Note 2 provides information on the changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

4. TURNOVER

The Group is principally engaged in bioscience related business (with focus on the research, development and commercialisation of biopharmaceuticals through recombinant DNA and other technologies), and the manufacture and trading of packaging products, paper gifts items and promotional products in Hong Kong and in the People's Republic of China ("PRC").

Turnover represents the gross invoiced value of goods sold, net of value added tax, sales returns and discounts.

Details of the main business segments of the Group are set out in note 10 to consolidated accounts.

5. OTHER REVENUE AND NET INCOME

	2007	2006
	HK$'000	*HK$'000*
Tax indemnity from an ex-director	**6,676**	–
Interest income	**5,194**	234
Waiver of loan from ex-shareholders of a subsidiary	**2,901**	–
Bad debts recovery	**2,206**	–
Machine rental income and service income	**360**	1,177
Sundry income	**1,475**	1,664
	18,812	3,075

6. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

	2007	2006
	HK$'000	*HK$'000*
a) Finance costs		
Imputed interest on convertible bonds wholly repayable within five years	**4,726**	–
Interest on bank advances and other bank borrowings wholly repayable within five years	**2,121**	2,230
Finance charges on obligations under finance leases	**380**	542
Other borrowing costs	**7,634**	1,358
Total borrowing costs	**14,861**	4,130
b) Staff costs (including directors' emoluments)		
Contributions to defined contribution retirement plans	**286**	219
Salaries, wages and other benefits	**10,838**	10,151
Share-based payments expenses	**32,540**	–
	43,664	10,370
Less: Staff costs included in research and development costs	**(10,663)**	–
	33,001	10,370
c) Other items		
Auditors' remuneration	**2,113**	780
Cost of inventories	**155,702**	78,513
Amortisation of intangible assets	**3,815**	–
Amortisation of land use rights held for own use	**194**	–
Depreciation		
– assets held under finance leases	**114**	86
– other assets	**20,477**	9,778
	20,591	9,864
Less: Depreciation included in research and development costs	**(400)**	–
	20,191	9,864
Loss on disposal of property, plant and equipment	**91**	3,188
Operating lease charges: minimum lease payments – property rentals	**2,098**	2,087
Research and development costs	**12,408**	–

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2006:17.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

Subsidiaries of the Company established in the PRC are subject to the PRC Enterprise Income Tax ("EIT") on the taxable income as reported in their PRC statutory financial statements adjusted in accordance with relevant income tax laws. The applicable EIT rate is 33%. However, except for「東莞市博康健醫藥科技有限公司」("DG-Pharmaceutical"), the PRC subsidiaries have tax incentive granted by PRC Government entitling them to full exemption from EIT for the first two years and 50% reduction in EIT for the next three years, commencing from the first profitable year after offsetting all tax losses carried forward from the previous years. The tax exemption period of two of the Company's PRC subsidiaries have not commenced to run as their first profit-making year of operation has not been started yet.

Income tax in the consolidated income statement represents:

	2007	2006
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Provision for the year	**13**	81
Under/(over)-provision in respect of prior years	**3,722**	(1)
Current tax – Overseas		
Provision for the year	**55,665**	–
Deferred tax		
Origination and reversal of temporary differences	**1,105**	(3,634)
	60,505	(3,554)

8. PROFIT/(LOSS) FOR THE YEAR

Of the profit for the year of HK$60,316,000 (2006: loss of HK$42,160,000), a loss of HK$8,136,000 (2006: loss of HK$4,806,000) has been dealt with in the financial statements of the Company.

9. EARNINGS/(LOSS) PER SHARE

a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to ordinary equity shareholders of the Company of HK$60,322,000 (2006: loss of HK$42,446,000) and the weighted average number of ordinary shares of 814,872,799 shares (2006: 231,428,571 shares as restated) in issue during the year, calculated as follows:

(i) Weighted average number of ordinary shares

	2007	2006 (Restated)
Issued ordinary shares at beginning of year	**2,958,904**	180,000,000
Effect of issue of shares by open offer	**101,448,141**	51,428,571
Effect of issue of shares by placement	**304,394,521**	–
Effect of issue of consideration shares	**167,061,644**	–
Effect of issue of shares upon conversion of convertible bonds	**239,009,589**	–
Weighted average number of ordinary shares at end of year	**814,872,799**	231,428,571

b) Diluted earnings/(loss) per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK$60,322,000 and the diluted weighted average number of ordinary shares of 849,626,855 shares, calculated as follows:

Weighted average number of ordinary shares (diluted)

	2007
Weighted average number of ordinary shares at 31 March	814,872,799
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	34,754,056
Weighted average number of ordinary shares (diluted) at 31 March	849,626,855

No diluted loss per share was shown for the year ended 31 March 2006 as there were no dilutive potential ordinary shares outstanding during the year ended 31 March 2006.

10. SEGMENT REPORTING

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

Business segments

The Group comprises the following main business segments:

Pharmaceutical products:	Research and development, manufacture and sale of pharmaceutical, biological and biochemical products.
Packaging products:	Manufacture and sale of packing products
Paper gifts items:	Manufacture and sale of paper gifts products
Promotional products:	Manufacture and sale of promotional products

There are no sale or other transactions between the business segments.

10. SEGMENT REPORTING (Continued)

Business segments (Continued)

Primary reporting format-business segments

	Pharmaceutical products		Packaging products		Paper gifts items		Promotional products		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**259,519**	–	**40,928**	43,808	**9,222**	15,677	**31,225**	35,464	**340,894**	94,949
Segment results	**172,204**	–	**6,255**	7,951	**1,410**	2,852	**5,323**	5,633	**185,192**	16,436
Unallocated operating income and expenses									**(59,657)**	(59,379)
Profit/(loss) from operations									**125,535**	(42,943)
Finance costs									**(14,861)**	(4,130)
Gain on deconsolidation of a subsidiary									**10,147**	–
Gain on disposal of a subsidiary									**–**	1,359
Profit /(loss) before taxation									**120,821**	(45,714)
Income tax									**(60,505)**	3,554
Profit/(loss) for the year									**60,316**	(42,160)
Segment assets	**578,338**	–	**46,016**	59,433	**10,369**	21,268	**35,095**	48,112	**669,818**	128,813
Unallocated corporate assets									**629,629**	9,996
Total assets									**1,299,447**	138,809
Segment liabilities	**35,586**	–	**57,083**	24,103	**12,863**	8,628	**43,536**	19,512	**149,068**	52,243
Unallocated corporate liabilities									**79,949**	52,962
Total liabilities									**229,017**	105,205
Capital expenditure	**404,588**	–	**399**	644	**90**	237	**304**	517	**405,381**	1,398
Amortisation	**4,009**	–	**–**	–	**–**	–	**–**	–	**4,009**	–
Depreciation	**11,793**	–	**4,426**	4,537	**997**	1,677	**3,375**	3,650	**20,591**	9,864
Impairment loss of goodwill	**–**	–	**–**	(3,008)	**–**	(1,111)	**–**	(2,419)	**–**	(6,538)
Impairment loss of obsolete inventories	**–**	–	**(1,690)**	–	**(381)**	–	**(1,289)**	–	**(3,360)**	–
Impairment loss of bad and doubtful debts	**–**	–	**(276)**	(4,036)	**(62)**	(1,492)	**(210)**	(3,246)	**(548)**	(8,774)
Write off of inventories	**–**	–	**(325)**	(3,921)	**(73)**	(1,449)	**(248)**	(3,156)	**(646)**	(8,526)
Write off of bad debts	**–**	–	**(144)**	(5,849)	**(33)**	(2,162)	**(110)**	(4,705)	**(287)**	(12,716)

10. SEGMENT REPORTING (Continued)

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the assets.

The Group's operations are located in PRC and Hong Kong. The following table provides an analysis of the Group's geographical segment information:

For the year ended 31 March 2007

	Revenue	**Total assets**	**Capital expenditure**
	HK$'000	***HK$'000***	***HK$'000***
Hong Kong	**78,343**	**873,600**	**877**
PRC	**260,798**	**425,847**	**404,504**
Other countries	**1,753**	**–**	**–**
	340,894	**1,299,447**	**405,381**

For the year ended 31 March 2006

	Revenue	Total assets	Capital expenditure
	HK$'000	*HK$'000*	*HK$'000*
Hong Kong	87,984	43,845	132
PRC	6,516	94,964	1,266
Other countries	449	–	–
	94,949	138,809	1,398

11. DIVIDEND

	2007	2006
	HK$'000	*HK$'000*
Final, proposed – HK1.1 cents per ordinary share (2006: Nil)	**11,044**	–

At the forthcoming annual general meeting of the Company, the Directors will propose a final cash dividend of HK1.1 cents per share. The proposal is subject to the approval by the shareholders of the Company and accordingly has not been recognized as a liability at the balance sheet date, but will be reflected as an appropriation of retained profits for the year ending 31 March 2008.

In addition, the Directors propose to make a bonus issue of six new shares of HK$0.10 each, credited as fully paid, for every one existing share held on the register of members on 6 August 2007. Further details of the bonus issue will be contained in a circular expect to be despatched by the Company to its shareholders together with the annual report of the Company for the year ended 31 March 2007.

12. TRADE RECEIVABLES

	The Group	
	2007	2006
	HK$'000	*HK$'000*
Trade receivables	**59,737**	16,633

At 31 March 2007, trade receivables of the Group amounting to approximately HK$9,322,000 (2006: approximately HK$8,774,000) were determined to be impaired and full provision had been made. These receivables were due from companies with financial difficulties. Long outstanding bad debts amounting to approximately HK$12,716,000 were written off for the year ended 31 March 2006.

Customers are generally granted with credit terms of 30 to 90 days (2006: 30 to 90 days). Longer payment terms are granted to those customers which have good payment history and long-term business relationship with the Group. All of the trade receivables are expected to be recovered within one year. The aging analysis of the trade receivables is analysed as follows:

	The Group	
	2007	2006
	HK$'000	*HK$'000*
Within 30 days	**47,720**	11,977
31 – 60 days	**1,629**	2,889
61 – 90 days	**2,935**	944
Over 90 days	**16,775**	9,597
	69,059	25,407
Less: Provision for impairment of receivables	**(9,322)**	(8,774)
	59,737	16,633

Included in trade receivables are the following amounts denominated in a currency other than the functional currency of the Group to which they relate:

	As at 31 March	
	2007	2006
	HK$'000	*HK$'000*
Renminbi ("RMB")	**40,897**	–

13. TRADE PAYABLES

	The Group	
	2007	2006
	HK$'000	*HK$'000*
Trade payables	**30,380**	17,604

At 31 March 2007, all the trade payables are expected to be settled within one year and the aging analysis of the trade payables is analysed as follows:

	The Group	
	2007	2006
	HK$'000	*HK$'000*
Within 30 days	**16,842**	4,030
31 – 60 days	**3,254**	3,292
61 – 90 days	**1,813**	1,219
Over 90 days	**8,471**	9,063
	30,380	17,604

Included in trade payables are the following amounts denominated in a currency other than the functional currency of the Group to which they relate:

	As at 31 March	
	2007	2006
	HK$'000	*HK$'000*
RMB	**16,997**	2,789

MANAGEMENT DISCUSSION AND ANALYSIS

During the year under review, the Group recorded a consolidated turnover of HK$340,894,000, representing an increase of 259% compared with HK$94,949,000 recorded in the last corresponding period. The gross profit was HK$185,192,000 representing 11.26 times of the gross profit of HK$16,436,000 as of last year. The Group achieved a net income of approximately HK$60,316,000 for the year compared to a loss of approximately HK$42,160,000 in year 2006. As the Group has gradually shifted its focus to the biopharmaceutical field in light of the relatively more promising prospect of the industry, less reliance has been placed on the Group's initial core business of manufacturing and trading of packaging products, paper gifts items and promotional products. During the year under review, turnover attributable to the distribution of biopharmaceutical products amounted to approximately 76.1% of total turnover, while turnover attributable to manufacturing and trading of packaging products, paper gifts items and promotional products amounted to approximately 23.9% of total turnover.

Business Review

Sale of biopharmaceutical products

With the completion of the acquisition of Figures Up Trading Limited and its subsidiaries ("FUTL Group") on 14 June 2006 and the completion of the acquisition of Nan Hoo Properties Limited and its subsidiaries ("Nan Hoo Group") on 21 December 2006, the Group has integrated and consolidated the FUTL Group's distribution channel of biopharmaceutical products with nationwide Good Service Practice ("GSP") recognition in the PRC with Nan Hoo Group's production facilities with Good Manufacturing Practice ("GMP") recognition in the PRC.

This division achieved a turnover subsequent to the respective completion of the acquisition of FUTL Group and Nan Hoo Group to 31 March 2007 of HK$259,519,000 with gross profit of HK$172,204,000.

The results of FUTL Group were consolidated with effect from 14 June 2006 and results of Nan Hoo Group with effect from 21 December 2006.

The following table sets forth analysis of sales, gross profit of the pharmaceutical products segment for fiscal year 2006/2007 with proforma figures prepared as if FUTL Group and Nan Hoo Group were in the Group throughout each of the years ended 31 March 2006 and 2007. Certain information of the table is derived from management accounts and is therefore unaudited.

	Pharmaceutical Products Segment		
			Consolidated
		Proforma	**Year ended**
	Year ended 31 March		**31 March**
	2006	2007	**2007**
	HK$'000	*HK$'000*	*HK$'000*
Sales – own brand	22,422	54,100	46,993
Sales – third party	285,627	250,563	215,356
Less: returns and sales tax	(3,324)	(3,287)	(2,830)
	304,725	301,376	259,519
Direct cost of sales – own brand	(2,242)	(5,410)	(4,699)
Direct cost of sales – third party	(77,348)	(84,990)	(71,921)
Depreciation	(13,176)	(15,033)	(10,695)
	(92,766)	(105,433)	(87,315)
Gross profit	211,959	195,943	172,204

The Group will continue to develop and market pharmaceutical products of own brand that yield higher profit margin and place less reliance on distribution of third party pharmaceutical products that yield lower profit margin.

Packaging Products

Sales of packaging products for the period under review amounted to HK$40,928,000, representing a drop of approximately 7% when compared to last year. The decrease was mainly due to increase in market competition and the prudent approach taken by the Group in accepting new orders.

Paper gift items

Paper gift items recorded a turnover of HK$9,222,000, representing a decrease of HK$6,455,000 or around 41.2% when compared to corresponding period of last year. The decrease was mainly due to increase in market competition and the prudent approach taken by the Group in accepting new orders.

Promotional products

For the period under review, the division has a turnover amounted to HK$31,225,000, representing a decrease of HK$4,239,000 or 11.9% when compared to HK$35,464,000 recorded in last year. The decrease was mainly due to the increase in market competition and the prudent approach taken by the Group in accepting new orders.

Research Platform

The Group has developed several pharmaceutical R&D technology platforms, which include E.coli expression system, Pichia Yeast expression system, mammalian cell expression system, Gene therapy drugs development system and chemical medicines development system.

E.coli, Yeast and mammal cell expression system

The Group has established gene cloning, genetic engineering expression, fermentation, purification and examination technology systems. These systems exhibit the characteristics of high efficiency, high flux and high stability. With a series of B. Braun's bioreactors from 2L~50L, the Group may carry on the pilot scale protein preparation. Each time of fermentation may produce up to ten thousand lyophilized injection products. At the same time, mainly by making use of the AKTA liquid chromatography separation system, the Group has established the high flux two steps standard operating procedure for protein purification. With this standard method, the protein purity after purification is up to 98 percent, which is higher than the official standard in the PRC.

Gene therapy medicine platform

Adenovirus becomes one of the most important gene carrier systems because of so many important characteristics such as its clear structure and function. The Group has established an entire set of recombinant adenovirus technology, such as recombinant virus construction, transfection, monoclonal preparation, as well as highly effective packing. At present, the Group's independently developed adenovirus product is at the stage of animal experimentation.

Chemical medicines platform

This platform is capable of designing, synthesizing and analyzing various small molecular chemical drugs and can prepare various new pharmaceutical types such as orally distintegrating tablets, soft capsule, ophthalmic gel, lyophilized powder and small dripping solution.

Product development

Developing and focusing its research on pharmaceutical products in the PRC, the Group has a number of new patent protected Class I & II prescription drugs in the pipeline. The Class I prescription drugs include Recombinant Exendin-4 (rExendin-4), Recombinant Human Erythropoietin-Fc, (rhEPO-Fc) and Recombinant Thymopentin (rTP-5). The Class II prescription drugs include Recombinant Human Parathyroid Hormone (rhPTH 1-34), and Recombinant Human Interleukin 11 (rhIL-11).

rExendin-4

With the rapid increase in population with diabetes, it is expected that in the expenditure on diabetes treatment in the PRC will increase to RMB 170 billion in 2010. Diabetes drugs are one of the fastest growing segments in the pharmaceutical market, increased by 40% in 2004 and accounting for 20% of all prescription drugs. In the PRC, the pharmaceutical market size is estimated to be about US$23-50 billion.

rExendin-4 is a non-insulin antidiabetic treatment that stimulates the incretin pathway (a distinct mechanism of action) is drawing attention in the medical community and have received the approval from State Food and Drug Administration in the PRC ("SFDA") for clinical trials. Phase I clinical trials started in July 2006 and completed during the year and Phase II clinical trials are in progress.

Classified as Class I prescription new drug and with nominal side effects, rExendin 4 stimulates the body's ability to produce insulin in response to elevated levels of blood glucose, inhibits the release of glucagon following meals and slows down the rate glucose are absorbed into the bloodstream. This new generation drug will be an effective treatment for Type 2 diabetes.

rhEPO-Fc

This medication can be used for treatment of anemia associated with renal diseases, cancer related therapies or surgical blood loss. EPO is currently commercialized by several pharmaceutical companies for a worldwide market that exceeds USD$10 billion, and the EPO market is growing at an average annual rate of 21%. The leading participants in the EPO market include Amgen, Johnson & Johnson & Roche.

The pre-clinical trial of rhEPO-Fc has just been completed and human clinical trial will commence upon approval.

rTP-5

rTP-5 can be used in the treatment of chronic hepatitis B. It is well known that hepatitis is an epidemic in the PRC, especially hepatitis B. The global statistics of patients that have chronic infections with hepatitis B is around 400 million. The chronically infected population in China is about 120 million (~30% of the global infected population).

rTP-5 is a bio-medical preparation for treating chronic hepatitis B and the research progress is currently at the final stages of pre-clinical trials.

rhIL-11

rhIL-11 is currently under Phase 3 clinical trials approved by the SFDA for the treatment of chemotherapy-induced thrombocytopenia and is expected to be launched by 2007. rhIL-11 is a Class II prescription new drug that stimulates human body to make platelets, which are a type of blood cell. It is suitable for patients who have received certain types of chemotherapy and is used to help prevent the number of platelets circulating in the blood from dropping dangerously low causing the patient to have difficulties in blood clotting.

rhIL-11 may reduce the need for platelet transfusions after chemotherapy. A study shows that after applying the drug to non-myelosuppressed cancer patients, platelet counts increased significantly. Upon cessation of the treatment, platelet counts continued to increase for up to 7 days then returned to baseline within 14 days. Besides treating chemotherapy-induced thrombocytopenia, rhIL-11 also shown to have a variety of non-haematological actions such as stimulation of osteoclast development, inhibition of proliferation of adipocytes, protection of the gastrointestinal mucosa, induction of acute phase response proteins and possibly rheumatoid arthritis.

rhPTH 1-34

Another bio-pharmaceutical product of the Group is rhPTH 1-34 which has been granted approval for Phase II clinical trials as a Class II prescription new drug. It is a type of bone-active agent that primarily works by stimulating new bone formation on quiescent bone surface that is not simultaneously undergoing remodeling. It increases bone mass to a greater degree than just filling in the bone remodeling space.

Osteoporosis is a worldwide epidemic. In 2005, the affected population in the PRC with osteoporosis is approximately 90 million (almost 8% of the country's population). The severe prevalence of this disease is partly due to the dietary habit (lack of calcium). rhPTH 1-34 has the potential to restore bone mass, bringing it back towards normal, and may reduce the risk of osteoporotic fracture more than currently available antiresorptive agents.

According to the preliminary information gathered, the daily treatment with rhPTH 1-34 is expected to reduce the risk of new vertebral fractures by about 65% and the risk of non-vertebral fractures by about 35% in the group treated with rhPTH 1-34 as compared with the group treated with placebo.

Chemical medicines in pipeline

Besides from a series of innovative bio-medicines in the pipeline, the Group also have a series of both innovative and generic chemical medicines in the pipeline. The indications of the chemical medicines include: allergic rhinitis, nausea and vomiting, Parkinson's disease, high blood pressure, obesity, lipid lowering, cough, asthma, allergy and heart failure. The research progresses are at various stages of pre-clinical and clinical trials.

Future Outlook and Prospects

The key growth driver for the Group is a diversified product portfolio and a low cost to high premium mix, in which the research and development ("R&D") cost is only 3-5% of the counterparts in USA. The Group would expect to increase the number of distributed products to 100 by 2007 and will expand the sales and distribution coverage. Sales and probability are expected to be boosted significantly upon the marketing of drugs currently being developed in the pipeline. The corporate strategy is to adopt vertical intergration by integrating production process, supply of raw materials or active pharmaceutical ingredients, R&D and manufacturing so as to enable the Group to become a leading player in the biotechnology industry in the PRC. In order to focus on the biopharmaceutical field, the Group is actively re-evaluating its existing business operations and committed to considering the feasibility of downsizing or (if suitable opportunities arise) divesting its operations in the manufacturing and trading of packaging products, paper gift items and promotional products shall opportunities arise the Group will also acquire leading technology platform through takeover or collaboration.

The outlook for fiscal year 2007/2008 is favourable. The Company is optimistic that the business opportunities in the pharmaceutical and healthcare industry in the PRC will remain buoyant given the increasing income and health awareness of the mainland population. The Company will maintain its strategic focus on growth enhancement and anticipates the Group's overall business in fiscal year 2007/2008 to further prosper. It is one of the Company's primary objectives to make every effort to enhance the investment value of its shareholders in the Company and will, based on the recommendation of the Directors and the profitability of the Group's business, consider the making of a special dividend to its shareholders in the third quarter of 2007 to enable them to share the success of the Company.

Liquidity and Financial Resources

The shares issued during the period in connection with the open offer in April 2006, the acquisition of FUTL Group in June 2006, the placement in August 2006 and the acquisition of Nan Hoo Group in December 2006 have significantly strengthened the liquidity and financial resources of the Group.

At 31 March 2007, the Group's bank deposits, bank balances and cash amounted to HK$56,418,000 and bank and other borrowings amounted to HK$101,471,000 (including convertible bonds of HK$51,876,000). At 31 March 2007, the Group has assets of approximately HK$1,299,447,000. Current assets of the Group at 31 March 2007 amounted to approximately HK$276,529,000 while current liabilities were HK$131,223,000. The gearing ratio, calculated by dividing the total debts over its total assets, was 7.8%.

The Group's major interest and operations are in the PRC. The Group also contracts with suppliers for goods and services that are denominated in Renminbi. The Group does not hedge its foreign currency risks as the rate of exchange between Hong Kong dollar and Renminbi is controlled within a narrow range. However, any permanent changes in foreign exchange rates in Renminbi may have an impact on the Group's results.

Pledge of Assets

At 31 March 2007, the Group's banking facilities were secured by bank deposits of HK$13,550,000 (2006: HK$13,040,000) and plant and machinery with net book value of HK$47,805,000 (2006: HK$34,115,000).

Employment and remuneration policy

At 31 March 2007, the Group employed a total of approximately 1,300 staff, including approximately 70 staff in the PRC R&D centres, approximately 300 staff in the PRC sales offices, approximately 900 staff in the PRC production sites and approximately 40 staff in Hong Kong. The Group adopts a competitive remuneration package for its employees. Promotion and salary increments are assessed based on performance. Share options may also be granted to staff with reference to the individual's performance.

CORPORATE GOVERNANCE

As at 31 March 2007, the Company has complied with the code provisions prescribed in the Code on Corporate Governance Practices ("CG Code") set out in Appendix 14 of the Listing Rules except for the deviation from the Code Provision A.4.1.

Under Code Provision A.4.1, the non-executive directors should be appointed for a specific term, subject to re-election.

Currently, none of the three independent non-executive Directors is appointed for a specific term. However, all independent non-executive Directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association of the Company, and the terms of their appointment will be reviewed when they are due for re-election. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those set out in the CG Code.

AUDIT COMMITTEE

The Company sets up the audit committee ("Audit Committee") for the purpose of reviewing and providing supervision over the Company's financial reporting procedures and the internal control system, and maintaining an appropriate relationship with the Company's auditors.

The written terms of reference which govern the authority and duties of the Audit Committee were adopted in 2001 and subsequently amended in 2005 to align with the requirements of the code provisions of the CG Code set out in the Listing Rules.

The Audit Committee provides an important link between the Board and the Company's auditors in audit, financial reporting and internal control matters. The Audit Committee, comprising of all the three independent non-executive Directors (namely Mr. SO Yin Wai, Mr. ZHOU Yaoming and Mr. LIN Jian) had reviewed with the auditors and the management of the Company the audited results of the Group for the year ended 31 March 2007, the accounting principles and practices adopted by the Company and certain other matters relating to the internal control and financial reporting procedures of the Company.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the annual results for the year ended 31 March 2007 with the management.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of its Directors as at the latest practicable date prior to the issue of this announcement, the Company has maintained sufficient public float as required under the Listing Rules during the year ended 31 March 2007.

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules. Upon enquiry by the Company, all directors have confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 March 2007.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year ended 31 March 2007, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

POST BALANCE SHEET EVENTS

(1) On 25 June 2007, the remaining balances of the Convertible Bonds with principal amount totalling HK$60,800,000 were converted into new ordinary shares at a fixed conversion price of HK$0.95 per share and as a result, 64,000,000 shares were issued and allotted.

(2) At 31 March 2007, a subsidiary of the Group which is engaged in printing business, was indebted to a third party creditor of HK$6,777,000 in respect of a loan arrangement made out in 2005 and before the change in control of the Company on 25 August 2005. The third party creditor went into members' voluntary liquidation during the year. On 25 June 2007, the liquidator of the third party creditor demanded repayment of the indebtedness plus accrued interest up to 30 June 2007 and ancillary legal costs totaling approximately HK$7,569,000. The subsidiary is negotiating refinancing of the indebtedness. Full amount of the interest and costs demanded by the liquidator of the third party creditor have been provided for in the financial statements.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk under "Latest Listed Company Information" and on the website at http://www.finance.thestandard.com.hk/en/0690unibioscience. The annual report for the year ended 31 March 2007 will be dispatched to the shareholders and, for information only, holders of warrants and holders of share options of the Company and published on the above websites in due course.

By order of the Board
TONG Kit Shing
Chairman

Hong Kong, 29 June 2007

As at the date of this announcement, the executive Directors of the Company 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.

* *For identification purposes only*