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
CAPITALISATION OF DEBTS OF PRC SUBSIDIARIES

SUMMARY

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

Capitalisation of Debts of PRC Subsidiaries

After the close of trading hours on 24 November 2008, the Company entered into three several Deeds to provide for the capitalisation of the Debts in the aggregate amount of RMB69,344,000 (equivalent to approximately HK$78,800,000) of the PRC Subsidiaries (which are incurred during the usual course of business of the Group) by the allotment and issue of an aggregate of 525,333,332 Capitalisation Shares.

The issue price of each Capitalisation Share is HK$0.15 each, which was negotiated on an arm's length basis by the Company with the other parties to the Deeds having taken into account the recent performance of the Shares (including the price and trading volume of the Shares), the historical price of the Shares and the net assets per Share.

The Capitalisation Shares represent approximately (i) 6.43% of the existing issued share capital of the Company and (ii) 6.04% of the enlarged issued share capital of the Company immediately following the allotment and issue of the Capitalisation Shares.

In light of this tumultuous market condition and the continuous global economic slowdown, the Directors consider that it is prudent and beneficial to the Group to reduce its debt level and strengthen its financial position. The Capitalisation will provide a better liquidity position to the Company by turning debts into equity and enable the Company to increase its shareholders' base. Accordingly, the Directors believe that the terms of the Capitalisation are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Implication of the Listing Rules
The Capitalisation contemplated under the Deeds does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

DEEDS OF CAPITALISATION OF THE DEBTS OF THE PRC SUBSIDIARIES

The Board wishes to announce that, after the close of trading hours on 24 November 2008, the Company entered into three several Deeds to provide for the capitalisation of the Debts of the PRC Subsidiaries (which are incurred during the usual course of business of the Group) by the allotment and issue of the Capitalisation Shares as summarised below:

(1) Deed of capitalisation of the BG Debt of Beijing Genetech

Date	:	24 November 2008
Parties	:	(1) the Company (2) Liang Shengyuan (3) Smart Focus Group Limited, a company incorporated in the BVI and the investment holding company of Liang, whose entire interest is solely and beneficially owned by Liang
Amount of BG Debt capitalised	:	RMB15,678,000 (equivalent to approximately HK$17,815,909.10)
Nature of the BG Debt	:	The BG Debt was originally due from Beijing Genetech (an indirect, wholly-owned subsidiary of the Company in the PRC) to certain independent suppliers of the Group for the supply of machinery and equipment to the Group, which debt was subsequently assigned by such suppliers to Liang

Capitalisation of the BG Debt	:	Pursuant to the BG Deed, (i) Liang has conditionally agreed to absolutely release and discharge, at the request of the Company, Beijing Genetech from all its obligations to repay the BG Debt and all other claims, demands, duties, obligations and liabilities whatsoever in respect of the BG Debt as against Beijing Genetech and (ii) the Company has conditionally agreed to allot and issue, at the request and by the direction of Liang, to allot and issue 118,772,727 Capitalisation Shares to Smart Focus at the issue price of HK$0.15 per Capitalisation Share

(2) Deed of capitalisation of the DT Debt of Dongguan Taili

Date	:	24 November 2008
Parties	:	(1) the Company (2) Rao Yaoming (3) Modern Castle Limited, a company incorporated in the BVI and the investment holding company of Rao, whose entire interest is solely and beneficially owned by Rao
Amount of DT Debt capitalised	:	RMB22,245,000 (equivalent to approximately HK$25,278,409.10)
Nature of the DT Debt	:	The DT Debt was originally due from Dongguan Taili (an indirect, wholly-owned subsidiary of the Company in the PRC) to certain independent medical and biotechnology research organisation in the PRC which was engaged by Dongguan Taili to conduct pre-clinical trial research on certain medical and biological products developed by the Group, which debt was subsequently assigned by such research organisation to Rao

Capitalisation of the DT Debt	:	Pursuant to the DT Deed, (i) Rao has conditionally agreed to absolutely release and discharge, at the request of the Company, Dongguan Taili from all its obligations to repay the DT Debt and all other claims, demands, duties, obligations and liabilities whatsoever in respect of the DT Debt as against Dongguan Taili and (ii) the Company has conditionally agreed to allot and issue, at the request and by the direction of Rao, to allot and issue 168,522,727 Capitalisation Shares to Modern Castle at the issue price of HK$0.15 per Capitalisation Share

(3) Deed of capitalisation of the DP Debt of Dongguan Pharmaceutical

Date	:	24 November 2008
Parties	:	(1) the Company (2) Liu Boxiang (3) Eastern Star Development Limited, a company incorporated in the BVI and the investment holding company of Liu, whose entire interest is solely and beneficially owned by Liu
Amount of DP Debt capitalised	:	RMB31,421,000 (equivalent to approximately HK$35,705,681.80)
Nature of the DP Debt	:	The DP Debt was originally due from Dongguan Pharmaceutical (an indirect, wholly-owned subsidiary of the Company in the PRC) to certain independent suppliers of the Group for the supply of medical and biological materials to the Group, which debt was subsequently assigned by such suppliers to Liu

Capitalisation of the DP Debt	:	Pursuant to the DP Deed, (i) Liu has conditionally agreed to absolutely release and discharge, at the request of the Company, Dongguan Pharmaceutical from all its obligations to repay the DP Debt and all other claims, demands, duties, obligations and liabilities whatsoever in respect of the DP Debt as against Dongguan Pharmaceutical and (ii) the Company has conditionally agreed to allot and issue, at the request and by the direction of Liu, to allot and issue 238,037,878 Capitalisation Shares to Eastern Star at the issue price of HK$0.15 per Capitalisation Share

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries:

(i) each of Liang, Rao and Liu is an Independent Third Party and does not hold any position with the Company or its connected persons (as defined in the Listing Rules);

(ii) each of Liang, Rao and Liu has no relationship with the Group or its connected persons (as defined in the Listing Rules) other than the contractual relationship arising from the entering into of the BG Deed, the DT Deed and the DP Deed and there is no relationship among Liang, Rao and Liu.

CAPITALISATION SHARES

Number of Capitalisation Shares to be allotted and issued

The aggregate amount of Debts to be capitalised under the Deeds is RMB69,344,000 (equivalent to approximately HK$78,800,000). The Debts will be capitalised by the allotment and issue of a total of 525,333,332 Capitalisation Shares at the issue price of HK$0.15 per Capitalisation Share as follows:

Name of Allottee	Amount of Debts to be capitalised (HK$)	Number of Capitalisation Shares
Smart Focus	$17,815,909.10	118,772,727
Modern Castle	$25,278,409.10	168,522,727
Eastern Star	$35,705,681.80	238,037,878
Total:	$78,800,000.00	525,333,332

Issue Price

The issue price of each Capitalisation Share is HK$0.15, which was negotiated on an arm's length basis by the Company with each of Liang, Rao and Liu and is a commercial decision reached by the Company having taken into account the recent performance of the Shares (including the price and trading volume of the Shares) in the last six months, the historical price of the Shares and the net assets per Share.

The issue price represents:

(i) a premium of approximately 285% to the closing price of HK$0.039 per Share on 21 November 2008 (being the last trading day immediately prior to the date of this announcement);

(ii) a premium of approximately 277% to the average closing price of HK$0.0398 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including 21 November 2008 (being the last trading day immediately prior to the date of this announcement);

(iii) a premium of approximately 261% to the average closing price of HK$0.0415 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including 21 November 2008 (being the last trading day immediately prior to the date of this announcement);

(iv) a discount of approximately 27% to the net asset value per Share of HK$0.206 as at 31 March 2008, being the day on which the latest audited accounts of the Company was made up.

Ranking

The Capitalisation Shares will rank equally among themselves and in all respects with all other Shares in issue upon their allotment and issue.

No restriction on disposal

There is no restriction imposed under the Deeds for the sale, transfer or disposal of any of the Capitalisation Shares upon their allotment and issue.

Mandate to issue the Capitalisation Shares

The Capitalisation Shares will be allotted and issued under the Existing General Mandate granted by the Shareholders to the Directors at the 2008 AGM.

At the 2008 AGM, the total number of issued Shares was 8,173,641,960. The Existing General Mandate has not been utilised at all since it was granted. Accordingly, the maximum number of new Shares which can be issued pursuant to the Existing General Mandate is 1,634,728,392 Shares (representing 20% of the issued share capital of the Company as at the date of the 2008 AGM).

Application for listing

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Capitalisation Shares

DEEDS OF CAPITALISATION NOT INTER-CONDITIONAL

Each of the three Deeds for the capitalisation of the BG Debt, the DT Debt and the DP Debt is not inter-conditional on the others.

COMPLETION FOR THE CAPITALISATION

The allotment and issue of the Capitalisation Shares will take place upon fulfilment of all applicable laws, rules and regulations (including the Listing Rules) by the Company and the obtaining of the approval from the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Capitalisation Shares.

REASONS FOR AND BENEFITS OF THE CAPITALISATION

In light of this tumultuous market condition and the continuous global economic slowdown, the Directors consider that it is prudent and beneficial to the Group to reduce its debt level and strengthen its financial position. The Capitalisation will provide a better liquidity position to the Company by turning debts into equity and enable the Company to increase its shareholders' base.

The Directors believe that the terms of the Capitalisation are fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPACT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Share capital of the Company

As at the date of this announcement, the total number of Shares in issue of the Company is 8,173,641,960 Shares.

The 525,333,332 Capitalisation Shares represent approximately (i) 6.43% of the existing issued share capital of the Company and (ii) 6.04% of the enlarged issued share capital of 8,698,975,292 Shares of the Company immediately following the allotment and issue of the Capitalisation Shares.

The aggregate nominal value of the Capitalisation Shares (with a par value of HK$0.10 per Capitalisation Share) is HK$52,533,333.20.

Shareholding structure of the Company

Assuming no other changes to the issued share capital of the Company, the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after the implementation of the Capitalisation (which will involve the issue of up to 525,333,332 Shares) are as follows:

	Existing shareholding structure		**Shareholding structure immediately after the Capitalisation**	
	No. of Shares	*%*	*No. of Shares*	*%*
Automatic Result Limited ("**ARL**") *(Note 1)*	2,454,407,736	30.03	2,454,407,736	28.21
Public Shareholders				
Allottees of the Capitalisation Shares				
Smart Focus Group Limited *(Note 2)*	–	–	118,772,727	1.37
Modern Castle Limited *(Note 3)*	–	–	168,522,727	1.94
Eastern Star Development Limited *(Note 4)*	–	–	238,037,878	2.74
		Sub-total:	**525,333,332**	**6.05**
Other Public Shareholders	5,719,234,224	69.97	5,719,234,224	65.75
Sub-total of public shareholders:	5,719,234,224	69.97	6,244,567,556	71.79
TOTAL:	**8,173,641,960**	**100.00**	**8,698,975,292**	**100.00**

Note(s):

(1) The entire issued share capital of ARL is solely and beneficially owned by Mr Tong Kit Shing whereas Mr Liu Guoyao is the sole director of ARL. Both Mr Tong and Mr Liu are the executive directors of the Company and they are deemed to be interested in all the interest in Shares held by ARL by virtue of the SFO.

(2) Smart Focus Group Limited is a company incorporated in the BVI and its entire issued share capital is solely and beneficially owned by Mr Liang Shengyuan.

(3) Modern Castle Limited is a company incorporated in the BVI and its entire issued share capital is solely and beneficially owned by Mr Rao Yaoming.

(4) Eastern Star Development Limited is a company incorporated in the BVI and its entire issued share capital is solely and beneficially owned by Mr Liu Boxiang.

FINANCIAL EFFECT OF THE CAPITALISATION

Upon completion of the Capitalisation, the liabilities of the Group will be reduced by approximately HK$78,800,000 and the Capitalisation will have no effect on the earnings or assets of the Group.

INFORMATION ON THE COMPANY AND THE PRC SUBSIDIARIES

The Company is an investment holding company and its subsidiaries are principally engaged in the research and development, production, distribution and sale of bio-pharmaceutical products.

Beijing Genetech is an indirect, wholly-owned subsidiary of the Company in the PRC and is principally engaged in the manufacture and sale of medical and biological products.

Dongguan Taili is an indirect, wholly-owned subsidiary of the Company in the PRC and is principally engaged in the research and development, manufacture and sale of medical and biological products.

Dongguan Pharmaceutical is an indirect, wholly-owned subsidiary of the Company in the PRC and is principally engaged in the trading of medical and biological products.

GENERAL

To the best of the Directors' knowledge having made all reasonable enquiries, information and belief, none of the controlling Shareholder, the Directors and the chief executives of the Company and their respective associates has any material interest in the Capitalisation as at the date of this announcement.

The Capitalisation contemplated under the Deeds does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

FUND RAISING ACTIVITY OF THE COMPANY IN THE 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT

The Company has not undertaken any fund raising activities within the 12 months immediately prior to the date of this announcement.

TERMS USED IN THIS ANNOUNCEMENT

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

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Beijing Genetech"	北京博康健基因科技有限公司 (Beijing Genetech Pharmaceutical Co., Ltd.), an indirect, wholly owned subsidiary of the Company in the PRC
"BG Debt"	the debt due and owing from Beijing Genetech to Liang in the amount of RMB15,678,000 (equivalent to approximately HK$17,815,909.10)
"BG Deed"	the deed dated 24 November 2008 entered into between the Company, Liang and Smart Focus regarding the capitalisation of the BG Debt and the subscription of 118,772,727 Capitalisation Shares by Smart Focus by the direction of Liang
"Board"	the board of Directors
"BVI"	the British Virgin Islands
"Capitalisation"	the capitalisation of the Debts by the allotment and issue of the Capitalisation Shares
"Capitalisation Shares"	a total of 525,333,332 new Shares (as to 118,772,727 new Shares to Smart Focus, 168,522,727 new Shares to Modern Castle and 238,037,878 new Shares to Eastern Star) to be allotted and issued on capitalisation of the BG Debt, the DT Debt and the DP Debt
"Company"	Uni-Bio Science Group Limited, an exempt company incorporated in the Cayman Islands and whose shares are listed on the main board of the Stock Exchange
"connected person"	has the same meaning ascribed to it under the Listing Rules
"Debts"	the BG Debt, the DT Debt and the DP Debt
"Deeds"	The BG Deed, the DT Deed and the DP Deed collectively

“Dongguan Pharmaceutical”	東莞市博康健醫藥科技有限公司 (translated as Dongguan Shi Bo Kang Jian Pharmaceutical Technology Co., Ltd.*,) an indirect, wholly-owned subsidiary of the Company in the PRC
“DP Debt”	the debt due and owing from Dongguan Pharmaceutical to Liu in the amount of RMB31,421,000 (equivalent to approximately HK$35,705,681.80)
“DP Deed”	the deed dated 24 November 2008 entered into between the Company, Liu and Eastern Star regarding the capitalisation of the DP Debt and the subscription of 238,037,878 Capitalisation Shares by Eastern Star by the direction of Liu
“Dongguan Taili”	Dongguan Taili Biotech Co., Ltd. (東莞太力生物工程有限公司), an indirect, wholly-owned subsidiary of the Company in the PRC
“DT Debt”	the debt due and owing from Dongguan Taili to Rao in the amount of RMB22,245,000 (equivalent to approximately HK$25,278,409.10)
“DT Deed”	the deed dated 24 November 2008 entered into between the Company, Rao and Modern Castle regarding the capitalisation of the DT Debt and the subscription of 168,522,727 Capitalisation Shares by Modern Castle by the direction of Rao
“Director(s)”	the director(s) of the Company
“Eastern Star”	Eastern Star Development Limited, a company incorporated in the BVI and an investment holding company of Liu, whose entire issued share capital is solely and beneficially owned by Liu
“Existing General Mandate”	the general mandate granted to the Directors at the 2008 AGM to allot, issue or otherwise deal in up to 1,634,728,392 new Shares
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

"Independent Third Party"	a party and, if applicable, the ultimate beneficial owner(s) of the party who is/are third party(ies) independent of the Company and connected persons of the Company
"Liang"	Liang Shengyuan, the creditor of the BG Debt
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Liu"	Liu Boxiang, the creditor of the DP Debt
"Modern Castle"	Modern Castle Limited, a company incorporated in the BVI and the investment holding company of Rao, whose entire issued share capital is solely and beneficially owned by Rao
"PRC"	The People's Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"PRC Subsidiaries"	Beijing Genetech, Dongguan Taili and Dongguan Pharmaceutical
"Rao"	Rao Yaoming, the creditor of the DT Debt
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of nominal value of HK$0.10 each in the capital of the Company
"Shareholder(s)"	holder(s) of Shares
"Smart Focus"	Smart Focus Group Limited, a company incorporated in the BVI and the investment holding company of Liang, whose entire issued share capital is solely and beneficially owned by Liang
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"2008 AGM"	the annual general meeting of the Company held on 6 November 2008

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of Hong Kong
"%"	per cent.

By Order of the Board
Uni-Bio Science Group Limited
Tong Kit Shing
Chairman

Hong Kong, 24 November 2008

** For identification purposes only*

In this announcement, translations of RMB to HK$ are made for illustration purposes only, at the rate of RMB0.88 = HK$1.00.

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