



The United Laboratories International Holdings Limited

Annual Results 2007

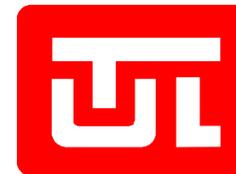
April 2008



Meropenem for injection



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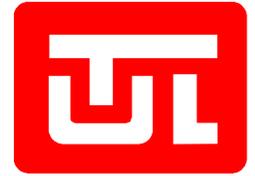
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Forward-looking statement



- This presentation and subsequent discussion may contain certain forward-looking statements with respect to the business of TUL. These forward-looking statements represent TUL's expectations or beliefs concerning future events and involve known and unknown risks and uncertainties which could cause actual results, performance or events to differ materially from those expressed or implied in such statements

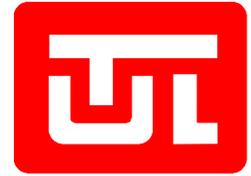


Section 1

2007 Annual Results Highlights



Results overview



RECORDED IMPRESSIVE RESULTS
Net profit ▲ 193.6% : HK\$510 million
Net assets ▲ 87.0% : HK\$2,453 million
Dividend payout ratio: 40%

- Successfully listed on the main board of Hong Kong Stock Exchange on 15 June 2007
- Established Inner Mongolia plant, further increasing the 6-APA annual production capacity to 5,000 tonnes
- Further expanded the development in the rural areas in the PRC
- Expanded to the US market for sales of 6-APA
- Accredited a Certificate of Suitability (COS) for bulk medicine of TUL's Amoxicillin by European Directorate for the Quality of Medicines. TUL is the **ONLY** manufacturer in China granted both COS and GMP certificates for production of Amoxicillin
- Obtained SFDA approval for the new product: Adefovir dipivoxil capsules (联邦阿迪仙) was launched in September 2007 with good market response

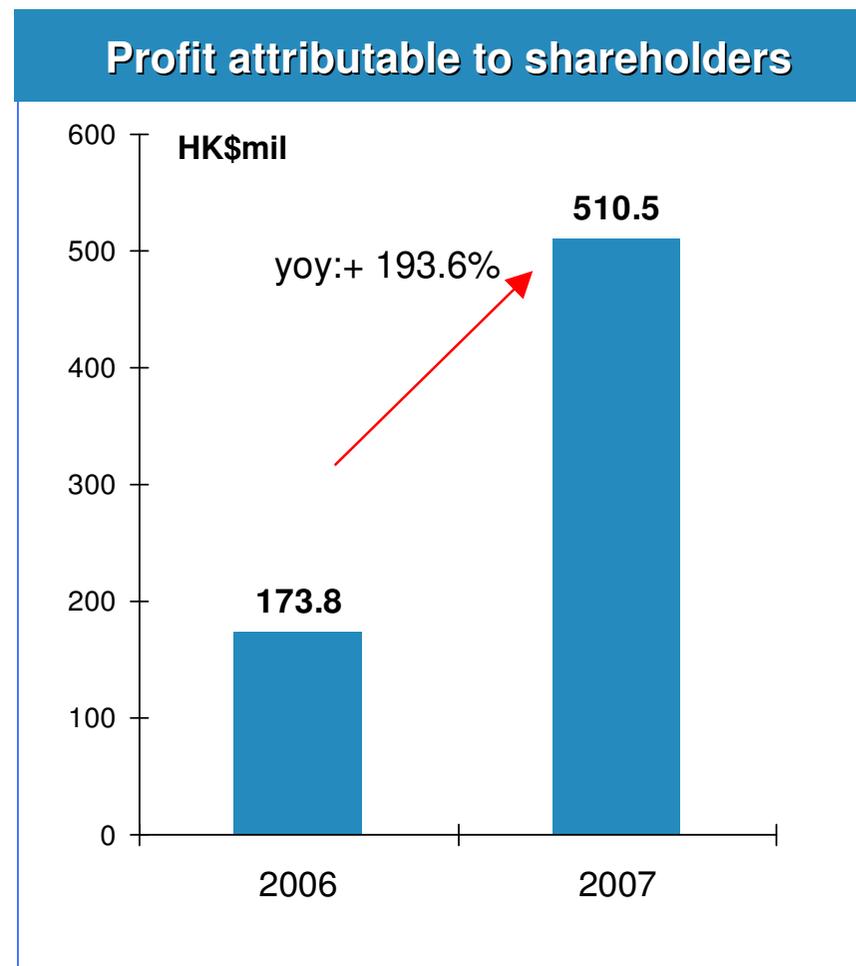
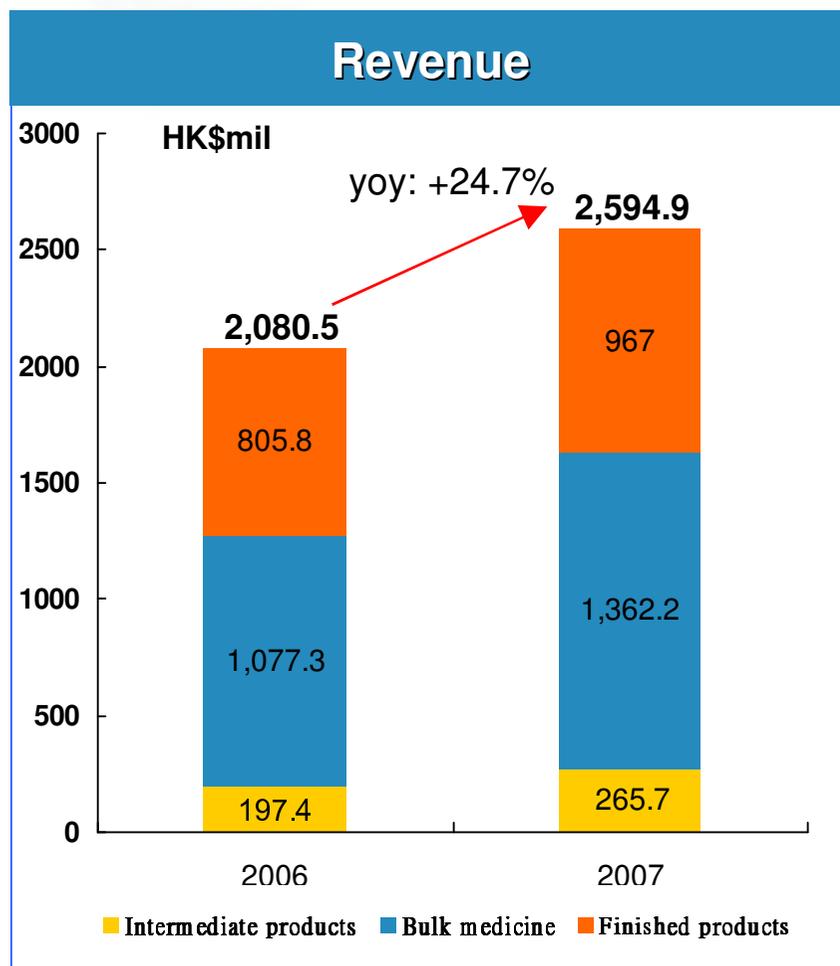


Section 2

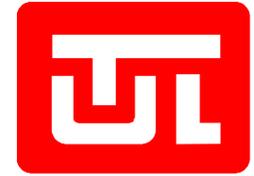
Financial Highlights



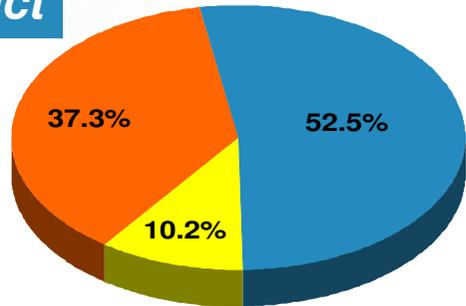
Record breaking revenue & profit



Revenue breakdown by product & market

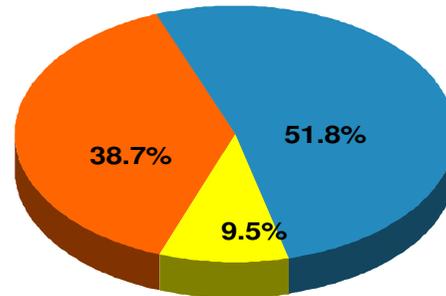


By product



2007

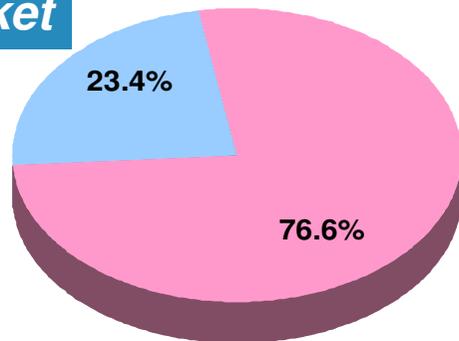
Finished products Bulk medicine Intermediate products



2006

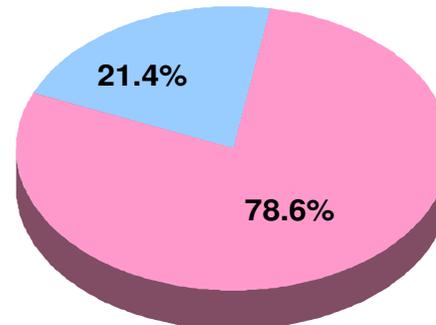
- Increasing contribution from bulk medicine and intermediate products as a result of 1) rising prices and 2) further vertical integration to capture the opportunities arising from the market

By market



2007

Domestic markets* Overseas markets**



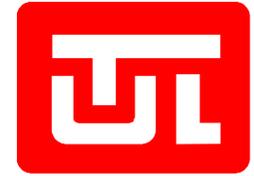
2006

- Increasing contribution from overseas market as TUL has further expanded to European markets with the accreditation of COS and GMP certificates
- Further expanded to US market in 2007 for sales of 6-APA

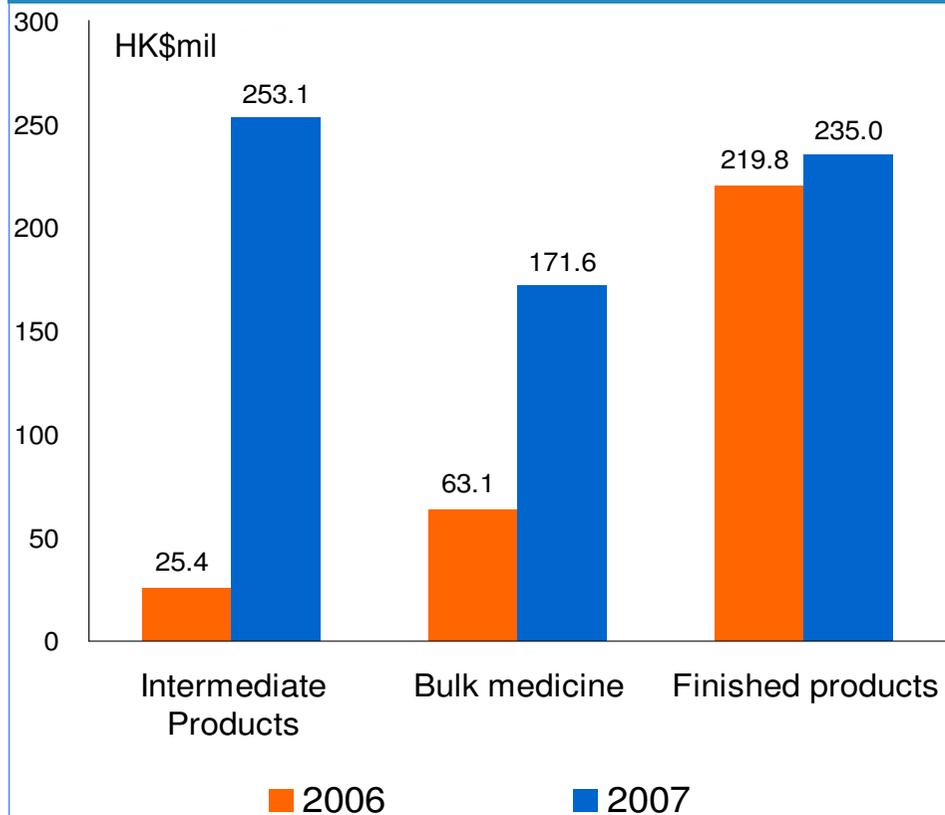
* Domestic markets represents PRC other than Hong Kong, Macau and Taiwan

** including Hong Kong, US, India, Korea etc.

Strong profitability



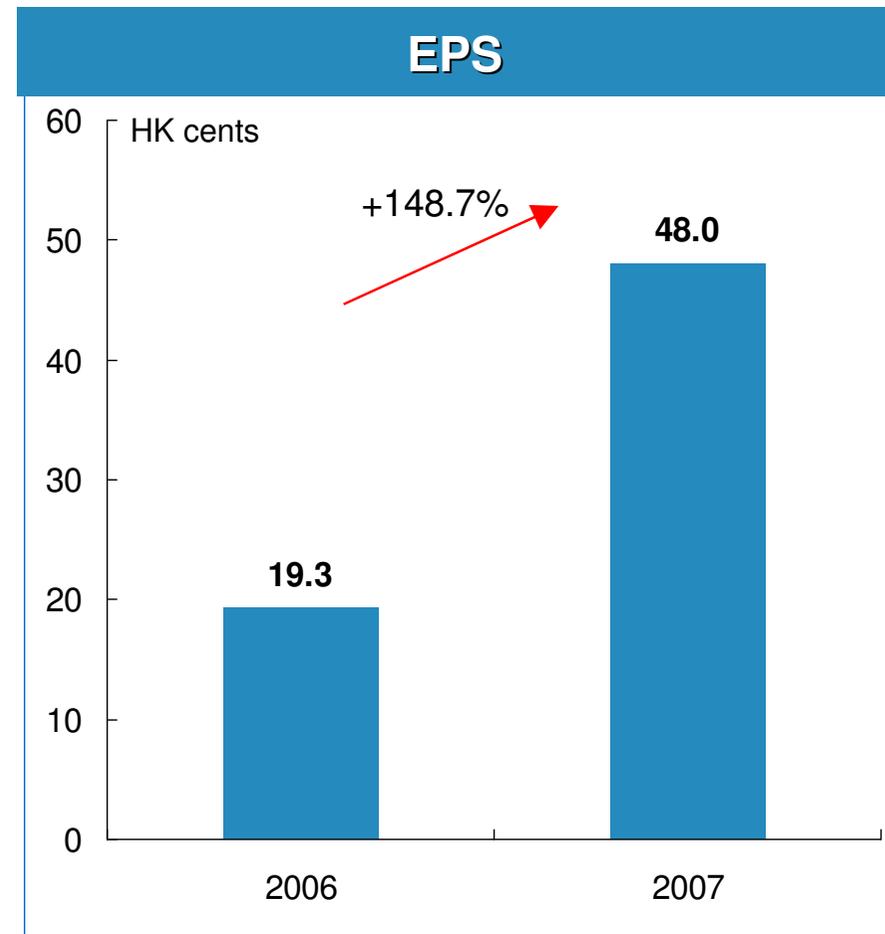
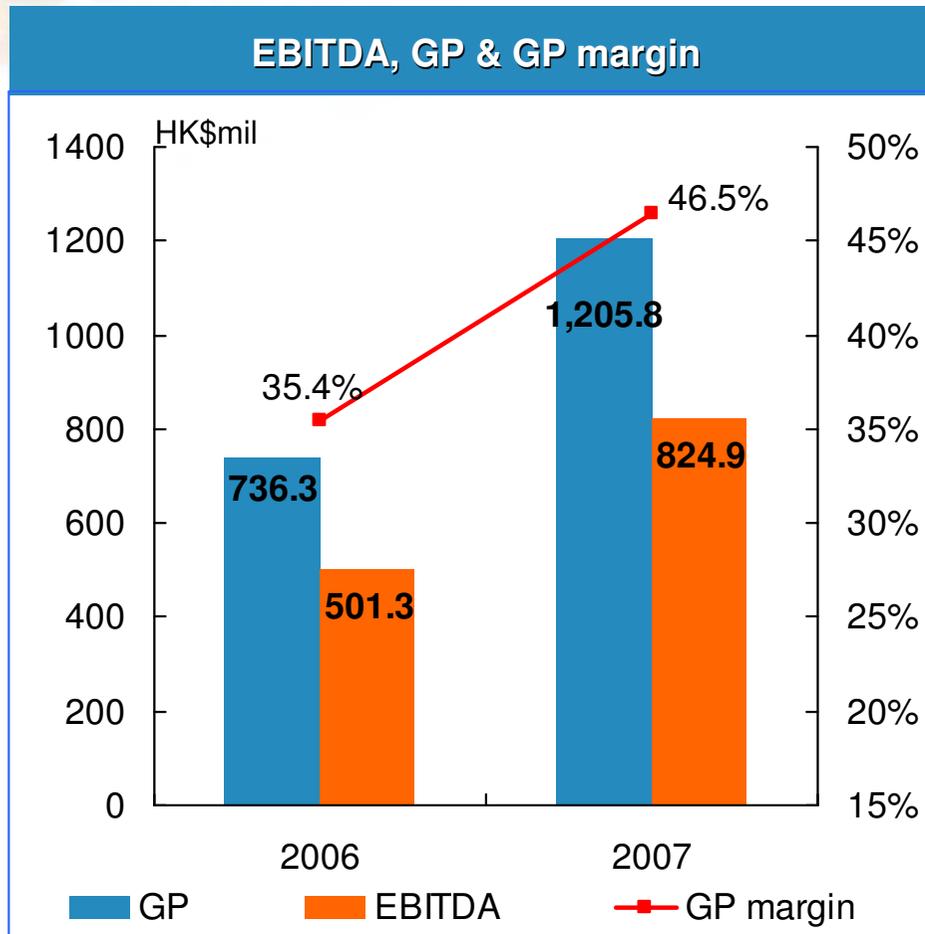
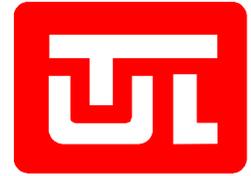
Segment results by products



	Segment margins	
	2007	2006
Intermediate products	22.0%	3.2%
Bulk medicine	11.4%	5.4%
Finished products	24.3%	27.3%

Segment margin = segment result/ total sales for each product category

Strong profitability (cont'd)



Dividend payout ratio: 40%

Solid financial position



	As at 31 Dec	
	2007	2006
Cash and cash equivalents (HK\$ '000)	401,262	99,226
Total assets (HK\$ '000)	4,750,088	3,712,220
Net assets (HK\$ '000)	2,452,532	1,311,595
Current ratio	1.27	1.00
Gearing ratio ⁽¹⁾	29.0%	39.5%
Trade and bills receivable turnover (days)	114.4	131.8
Trade and bills payable turnover (days)	160.1	210.0

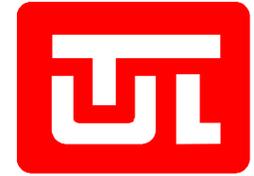
(1) Gearing ratios are calculated by dividing total debts by total assets and multiplying the quotient by 100



Section 3 Business Review



Plant location

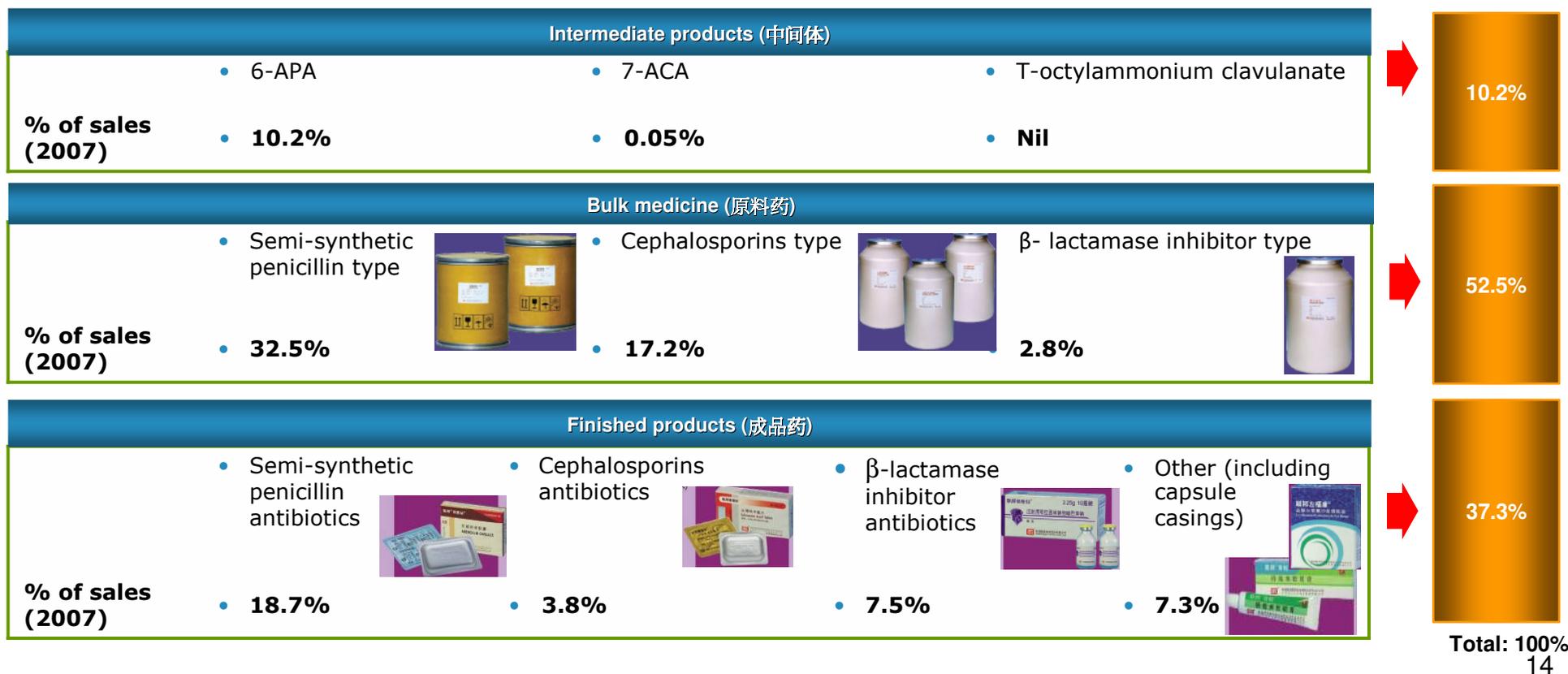


TUL has one of the largest 6-APA / 7-ACA upstream plant in Chengdu and Inner Mongolia, China

Further vertical integration



- Full operation of 6-APA production of the Chengdu plant, has further enhanced the production capacity of upstream intermediate products and achieved greater economies of scales
- As at 31 December 2007, there are total 150 bulk medicine and finished products obtained Drug Registration Approvals & Certificate of Drug/Production Registration in the PRC/HK and 74 are in production, and 33 are listed in Insurance Catalogue



Growing sales



Type	Products	Sales (HK\$)		yoy growth	% of total sales	Sales Volume	
		2007	2006			2007	2006
Intermediate Products	6-APA	HK\$264 mil	HK\$187 mil	+41.6%	10.2%	752.8 tonnes	1,096.1 tonnes
	Semi-synthetic Penicillin type	HK\$843 mil	HK\$594 mil	+41.9%	32.5%	2,851.8 tonnes	3,239.1 tonnes
Bulk Medicine	Cephalosporins type	HK\$446 mil	HK\$441 mil	+1.2%	17.2%	489.2 tonnes	708.0 tonnes
	β -lactamase inhibitor type	HK\$73 mil	HK\$42 mil	+71.3%	2.8%	65.7 tonnes	48.3 tonnes
Finished Products	Amoxicillin Granules	HK\$28 mil	HK\$27 mil	+5.1%	1.1%	3.9 mil packs	4.6 mil packs
	Tazobactam Sodium and piperacillin sodium for injection	HK\$118 mil	HK\$86 mil	+36.3%	4.5%	2.5 mil packs	1.8 mil packs
	Cephalosporins for injection	HK\$97 mil	HK\$48 mil	+101.8%	3.7%	22.5 mil packs	9.2 mil packs
	Amoxicillin Capsules 250mg	HK\$137 mil	HK\$124 mil	+10.6%	5.3%	13.2 mil packs	14.1 mil packs
	Amoxicillin Capsules 500mg	HK\$124 mil	HK\$115 mil	+7.9%	4.8%	7.16 mil packs	7.47 mil packs
	Ampicillin Capsules 250mg	HK\$182 mil	HK\$166 mil	+9.3%	7.0%	16.1 mil packs	16.4 mil packs
	Ampicillin Capsules 500mg	HK\$14 mil	HK\$1.0 mil	+1,229.6%	0.5%	0.80 mil packs	70,000 packs
	Adefovir dipivoxil capsules	HK\$5 mil	--	--	0.2%	60,265 packs	--

Rising average selling price (ex-tax)



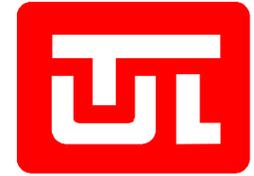
Type	Products	2007	2006	yoy growth
Intermediate Products	6-APA	342.78 (RMB/kg)	175.43 (RMB/kg)	+95.4%
Bulk Medicine	Semi-synthetic Penicillin type	288.59 (RMB/kg)	188.88 (RMB/kg)	+52.8%
	Cephalosporins type	890.42 (RMB/kg)	641.29 (RMB/kg)	+38.8%
	β -lactamase inhibitor type	1,081.60 (RMB/kg)	906.14 (RMB/kg)	+19.4%
Finished Products	Amoxicillin Granules	7.18 (RMB/Pac)	6.12 (RMB/Pac)	+17.4%
	Tazobactam Sodium and piperacillin sodium for injection	46.33 (RMB/Vial)	50.73(RMB/Vial)	-8.7%
	Cephalosporins for injection	4.22	5.41	-22.0%
	Amoxicillin Capsules 250mg	10.13 (RMB/Pac)	9.05(RMB/Pac)	+11.9%
	Amoxicillin Capsules 500mg	16.95 (RMB/Pac)	15.90 (RMB/Pac)	+6.6%
	Ampicillin Capsules 250mg	11.00 (RMB/Pac)	10.45 (RMB/Pac)	+5.3%
	Ampicillin Capsules 500mg	17.02 (RMB/Pac)	16.26 (RMB/Pac)	+4.7%
Adefovir dipivoxil capsules	84.29 (RMB/Pac)	--	--	

Expanding production capacity



	2007	
	Designed capacity	Utilization rate
<i>Intermediate products (tonnes)</i>		
• 6-APA	3,467	87%
<i>Bulk medicine (tonnes)</i>		
• Semi-synthetic penicillin type	3,769	86%
• Cephalosporins type	662	56%
<i>Finished products</i>		
• Amoxicillin & Ampicillin capsules (capsule)	1,039 mil	89%
• Amoxicillin granules (bag)	75 mil	69%
• β - lactamase inhibitor antibiotics (bottle)	10.49 mil	65%

Extensive sales and distribution network



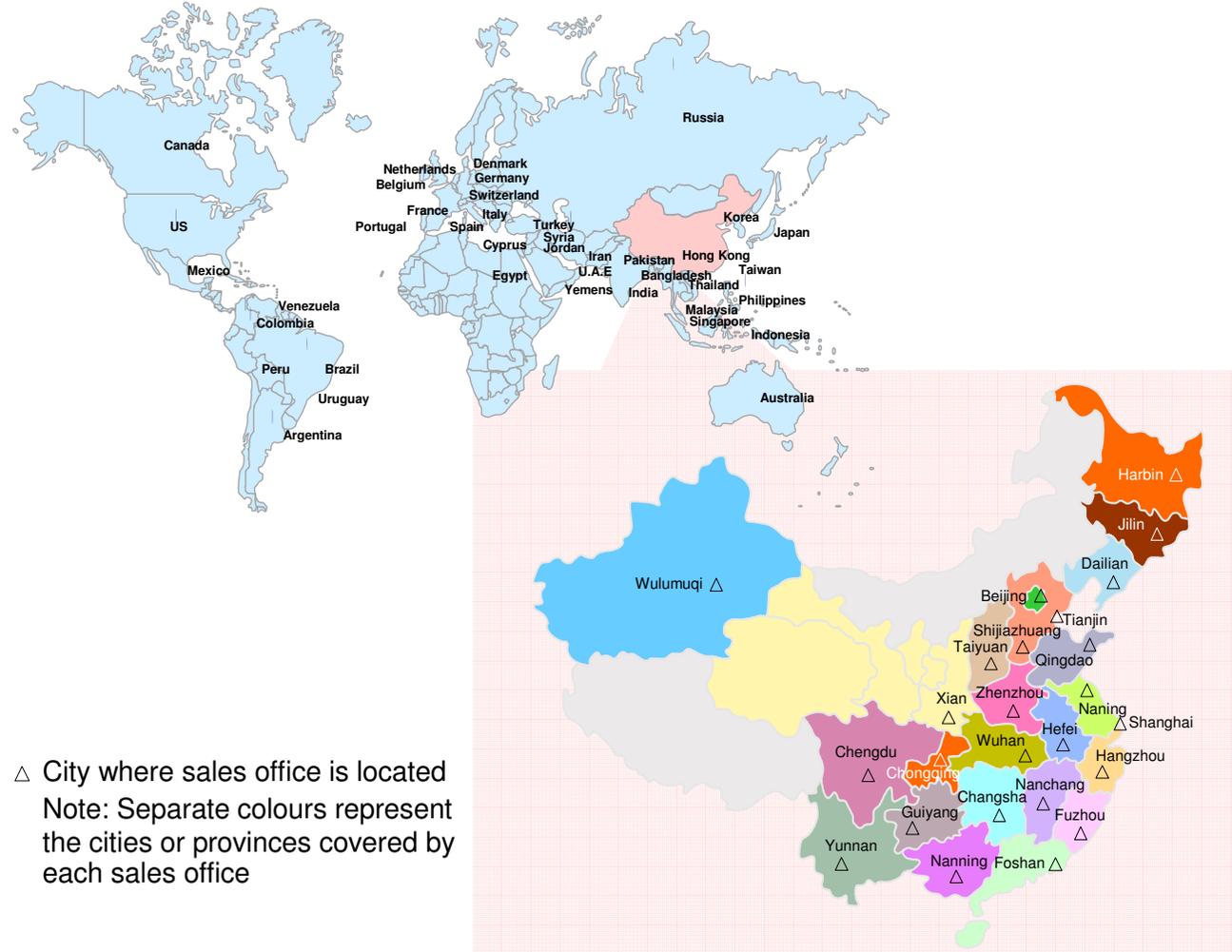
Extensive sales & distribution network inside and outside the PRC

Sales inside the PRC

- Approx 2,000 sales representatives in 25 sales offices as at 31 Dec 2007
- Direct contact with hospitals and pharmacies

Sales outside the PRC

- The five biggest overseas markets of TUL including India, Indonesia, the Netherlands, Russia, and Germany



Diversified customer base



Finished products



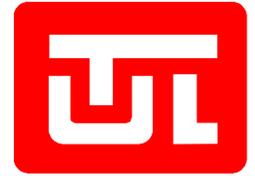
Shanghai Pioneer Huakang
Pharmaceutical Company Limited

上海新先鋒華康醫藥有限公司

Bulk medicine



Environmental engineering



- TUL invested RMB270 million for establishment of modern waste water treatment facilities at both Chengdu & Inner Mongolia intermediate product plants
- Higher entry barrier will be resulted due to tightened environmental requirements expected to be promulgated within 2008 and many other production plants may be forced to close with sub-standard sewerage treatment facilities

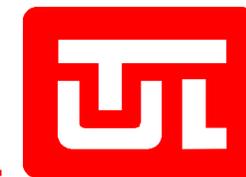


Use of IPO proceeds



Unit: HK million	Planned	Actual	Unutilized	
Expansion and upgrading of the Group's production facilities	342	91	251	73.4%
Market development and expansion of the Group's sales and marketing network	124	28	96	77.4%
R&D capabilities by setting up additional R&D facilities	85	7	78	91.8%
Repayment of Debts	209	209	--	0%
General working capital	21	21	--	0%
TOTAL	781	356	425	54.4%

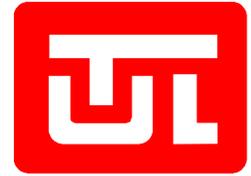
Charity





Section 4 Strategies & Outlook



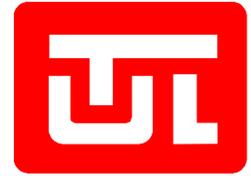


Market Outlook

- Domestic market
 - Favourable government policy on medical & pharmaceutical industry:
 - Further increase spending in improvement of national medical and pharmaceutical system
 - Expand medical coverage to more urban and rural areas
 - Accelerate the promotion of New Rural Cooperative Medical Scheme in all rural areas
 - Establish higher entry barrier with tightened environmental requirements
- Overseas market
 - Growing demand for bulk medicines and intermediate products
 - Increasing competitiveness of TUL with accreditation of Certificate of Suitability (COS) for bulk medicine of Amoxicillin by European Directorate for the Quality of Medicines.

TUL is well-positioned to capture the rising opportunities from integral competency, favourable policies, market consolidation, and growing demand for pharmaceutical products

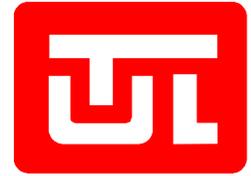
Promising new drug pipeline



New product	Classification	Main curative effects	Expected time for obtaining drug registration approval
Imipenem cilastatin sodium for injection (注射用亞胺培南西司他丁鈉)	Carbapenems antibiotics	For treatment of various types of infection	mid 2008
Meropenem for injection (注射用美羅培南)	Carbapenems antibiotics	For treatment of various types of injection	mid 2008
Cefepime hydrochloride for injection (注射用鹽酸頭孢吡肟)	Cephoalsporins antibacterial agents	For treatment of respiratory system infection, urinary system infection and other infections	mid 2008
Cetizoxime sodium for injection (注射用頭孢唑肟鈉)		For treatment of respiratory system infection, urinary system infection and other infections	mid 2008
Isophane protamine human insulin injection (精蛋白人胰島素注射液)	Bio product	For treatment of type I & II diabetes	2H 2008
12 Vitamin complex for injection (注射用12種複合維生素)	Nutritive drug for infection	For treatment of shortage of vitamin	2H 2008
Acetaminophen and Dextromethorphan hydrobromide oral solution (氨酚沙芬口服溶液)	Compound anti-flu medicine	For treatment of flu	2H 2008

52 finished products under development at various stages

Strategies in 2008



Strategies

- Expand intermediate production capacity to maximise the benefits of large scale production and vertical integration
- Enhance R&D capability and introduce new products to expand revenue stream
- Further expand sales & distribution network in the PRC especially in rural areas and increase contribution from overseas markets
- Stringently control cost and further improve product mix to improve production effectiveness and profitability

Vision

Become the leading and the largest generic antibiotics manufacturing enterprise in the PRC offering a wide spectrum of high quality products



Section 5

Q & A Session

