

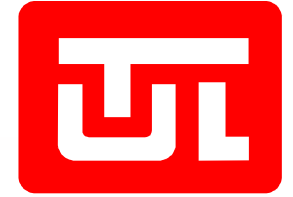
The United Laboratories International Holdings Limited

Annual Results 2009

March 2010



Agenda



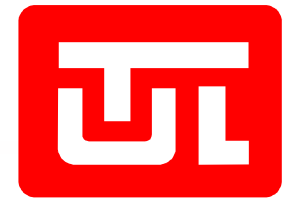
1 Major Accomplishments in 2009

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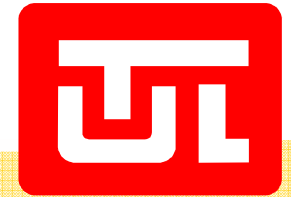
4 Strategies & Outlook

5 Q & A



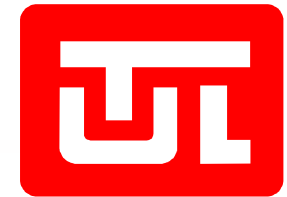
Section 1

Major Accomplishments in 2009



Results Overview

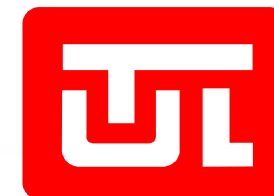
- ◆ Sales volume, turnover and profit reached record high in 2009
 - Intermediate products : +41.9% to 9,480 tones, profit +41.2% to HK\$190M
 - Bulk medicine : +29.2% to 7,880 tones, profit +22.9% to HK\$310M
 - Finished products : +21.9% to 145 mil packs, profit +17.8% to HK\$420M
- ◆ Revenue: +23.6% yoy to HK\$4.64Bn
- ◆ Gross profit: +26.9% yoy to HK\$1.81Bn
- ◆ EBITDA: +24.1% yoy to HK\$1.12Bn
- ◆ Profit attributable to equity holders: HK\$540Mn
- ◆ Net Profit in 2H 2009: HK\$410Mn, which is 3 times of that in 1H 2009. This contributes to the record high profit and becomes a good indicator for future earnings.
 - ◆ Edge in cost and large scale in production of immediate products and bulk medicine
 - ◆ Growth in sales of finished products due to better market development by well-trained sales force
- ◆ Sales of finished products in rural areas +50% after expanding sales force
- ◆ TUL Zhuhai and its Zhongshan branch each received accreditation as a High-tech Enterprise and were entitled to a preferential enterprise income tax rate of 15% for the three financial years commenced from 1 January 2008.
- ◆ Obtained official production approval for 5 new finished products including one influenza virus type A medicine and human insulin products
- ◆ Planned to invest RMB300M to enhance production capacity and sales network of human insulin products
- ◆ TUL Zhuhai plant recognized by FDA and awarded ISO9000 and ISO14000
- ◆ 12 finished products are listed in Essential Drugs List (EDL), which contribute to 38% of sales of finished products



Section 2

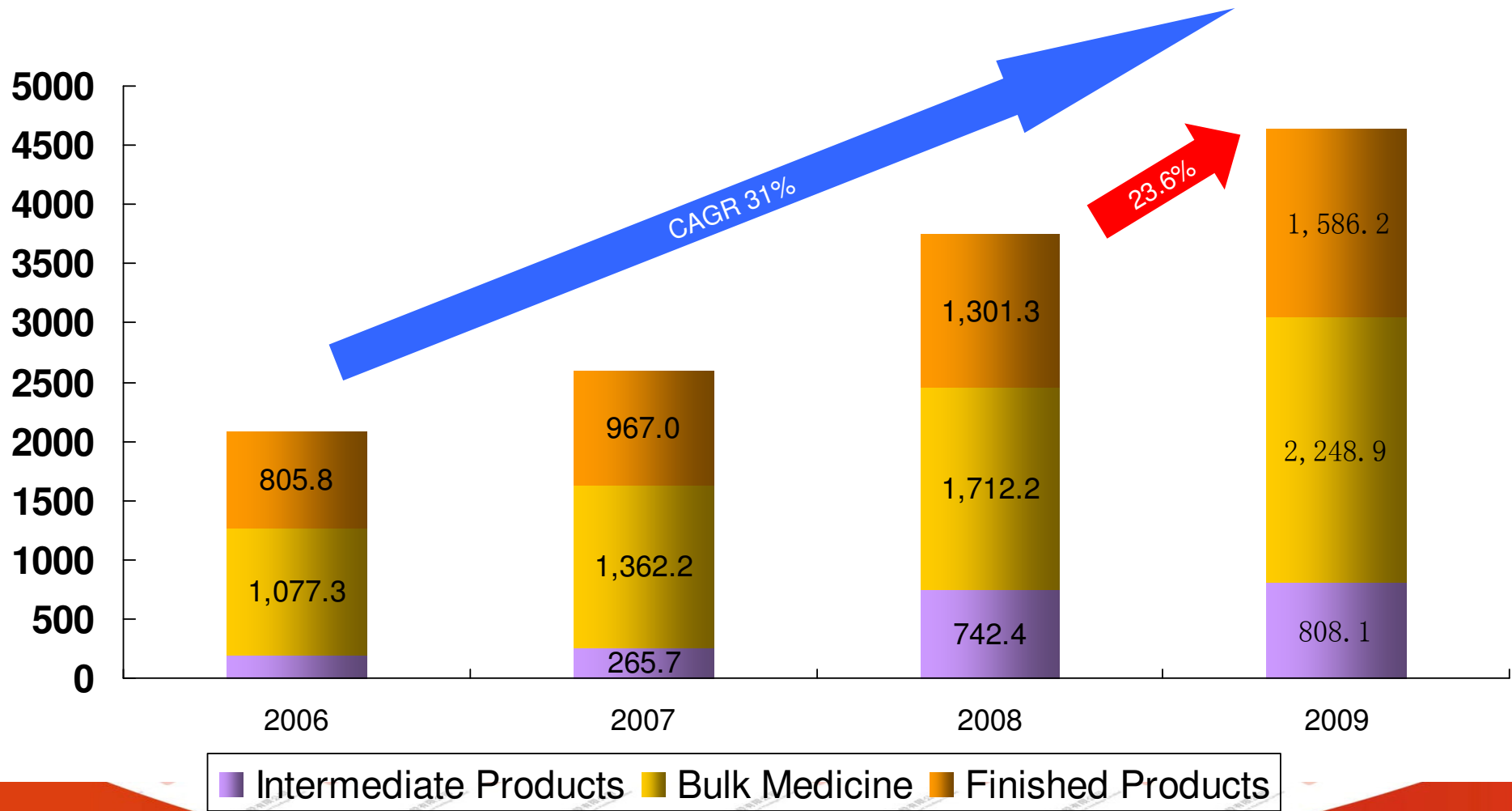
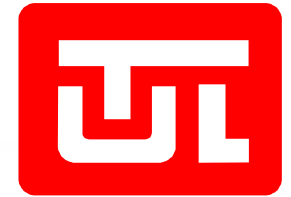
Financial Highlights

Financial Overview

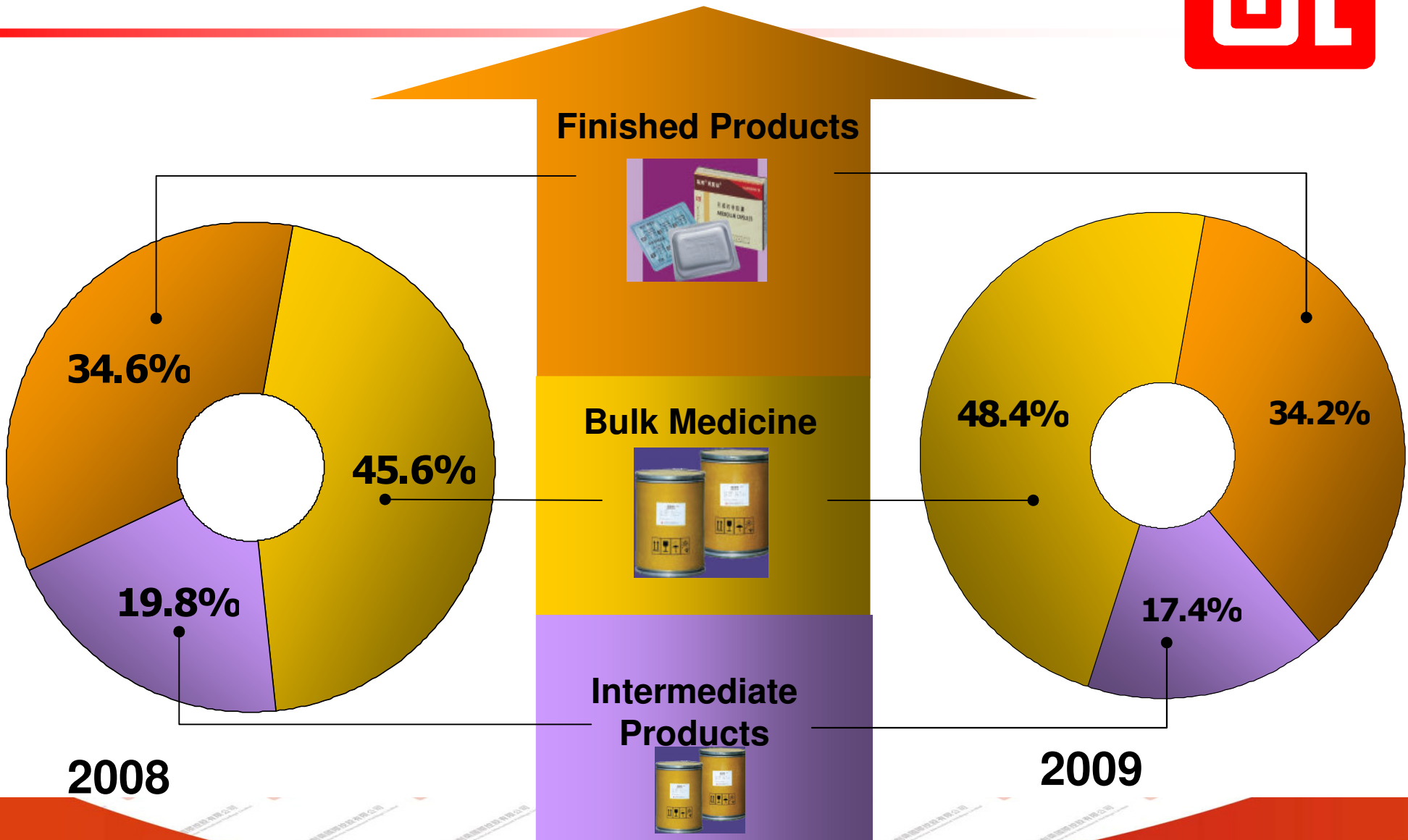
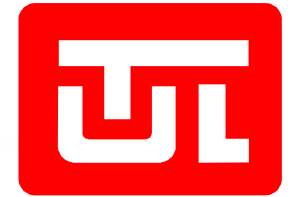


| HK\$m | 1H2009 | 2H2009 | 2009 | 2008 | yoy growth |
|---------------------------------------|---------|---------|---------|---------|------------|
| Revenue | 2,076.2 | 2,567 | 4,643.2 | 3,755.9 | +23.6% |
| Gross Profit | 742.1 | 1,071.9 | 1,814.0 | 1,429.6 | +26.9% |
| EBITDA | 419.7 | 700.7 | 1,120.4 | 902.9 | +24.1% |
| Profit Attributable to Equity Holders | 134.4 | 407 | 541.4 | 430.2 | +25.8% |
| EPS (HK cents) | 11.2 | 33.9 | 45.1 | 35.8 | +26.0% |
| Dividend (HK cents) | - | - | 19.0 | 15.0 | +26.7% |

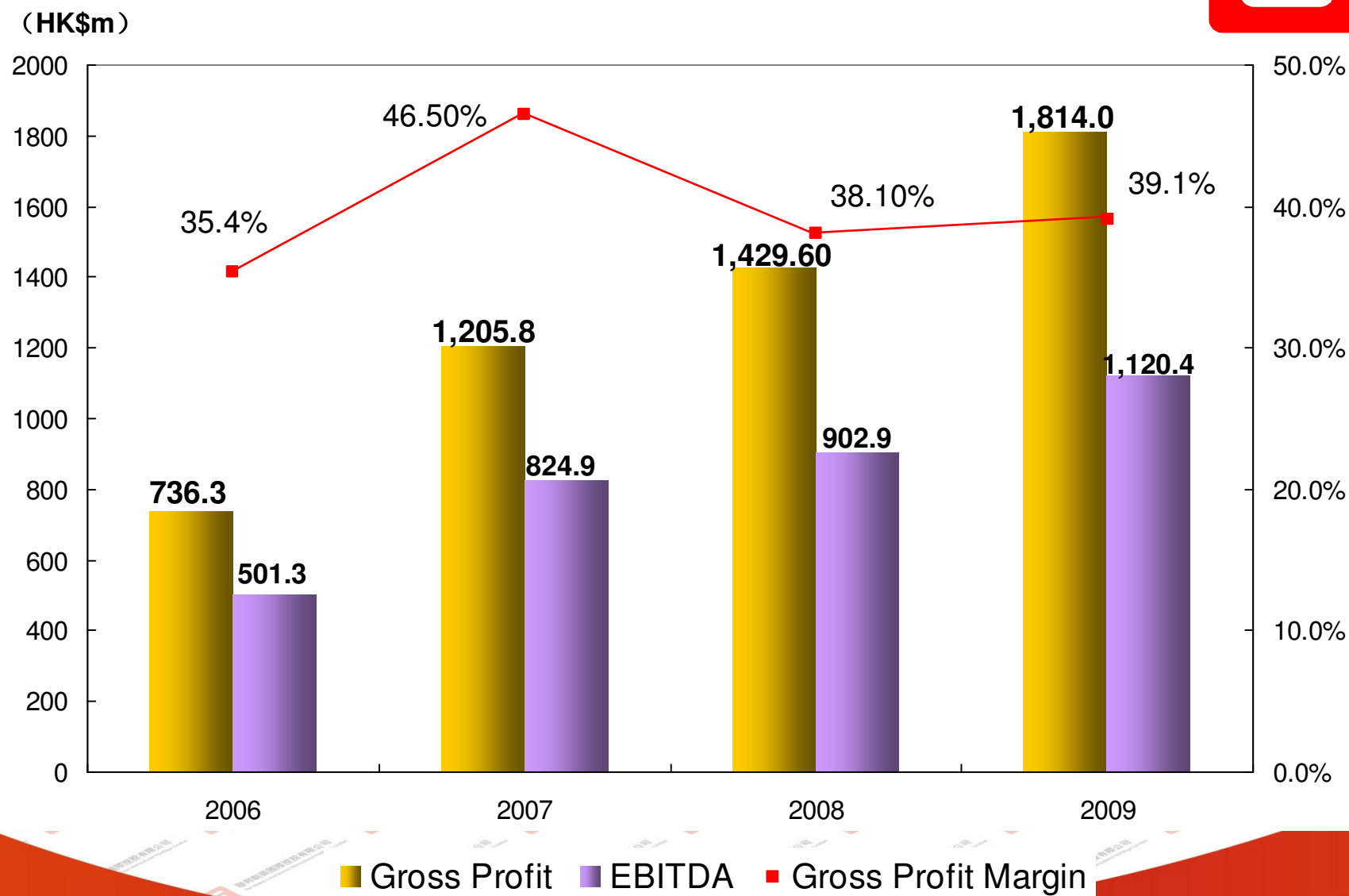
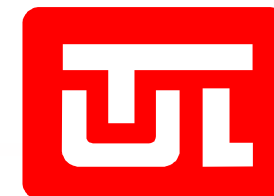
Revenue



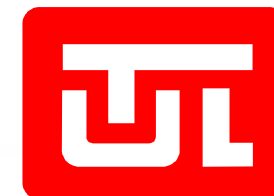
Revenue Breakdown by Products



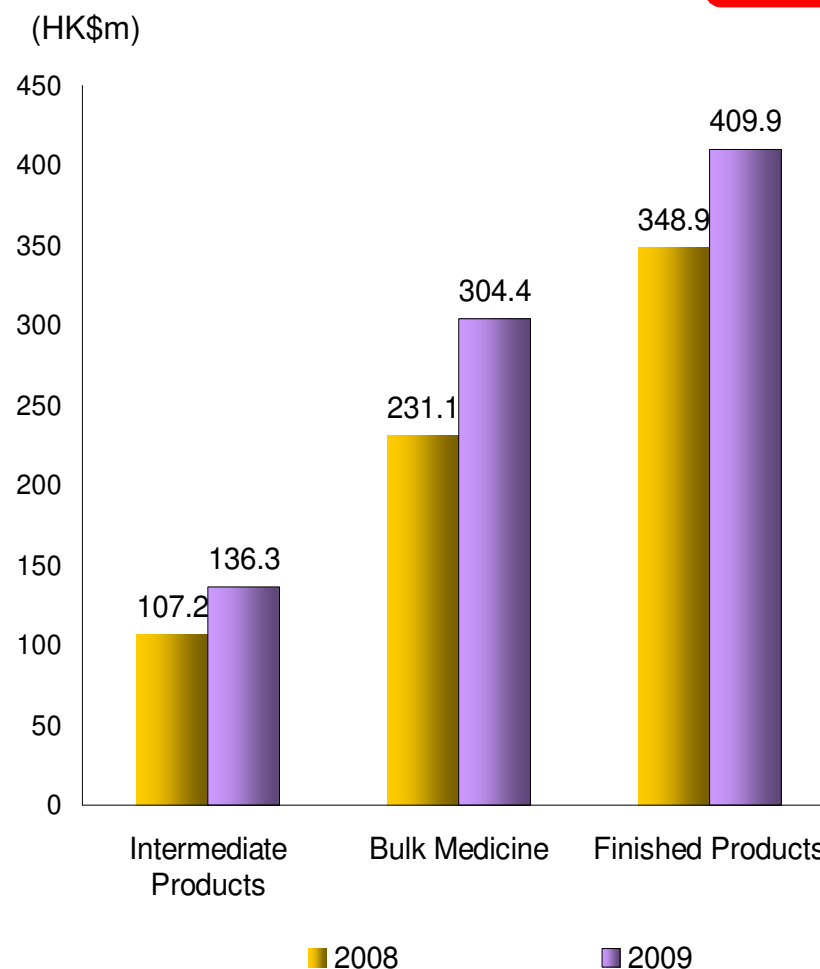
Gross Profit, EBITDA & Gross Profit Margin



Business Segment Results & Margins

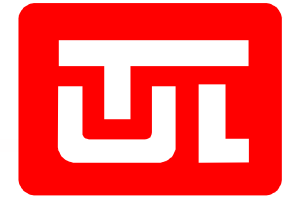


| | Segment Margins | |
|-----------------------|-----------------|--------------|
| | 2009 | 2008 |
| Intermediate Products | 6.8% | 7.5% |
| Bulk Medicine | 12.5% | 12.2% |
| Finished Products | 25.8% | 26.8% |



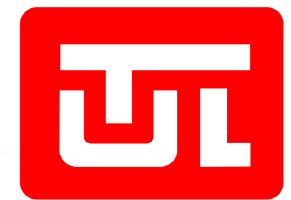
| | Segment Profit % | |
|-----------------------|------------------|--------------|
| | 2009 | 2008 |
| Intermediate Products | 16.0% | 15.6% |
| Bulk Medicine | 35.8% | 33.6% |
| Finished Products | 48.2% | 50.8% |

Other Key Financial Indicators



| | As at 31 Dec 2009 | As at 31 Dec 2008 |
|---|-------------------|-------------------|
| Trade and bills receivable turnover (days) | 131.2 | 114.0 |
| Trade and bills payable turnover (days) | 183.1 | 163.3 |
| Stock turnover (days) | 114.1 | 121.4 |
| Current ratio | 0.96 | 0.84 |
| Net Gearing ratio⁽¹⁾ | 54% | 47% |
| Cash and cash equivalents (HK\$ '000) | 192,489 | 165,474 |
| Total assets (HK\$ '000) | 7,459,996 | 6,170,258 |

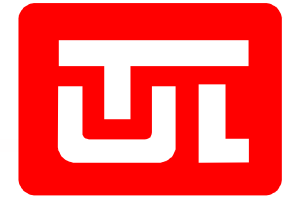
(1) Calculated as total borrowings less cash and bank balances and pledged bank deposits to total equity)



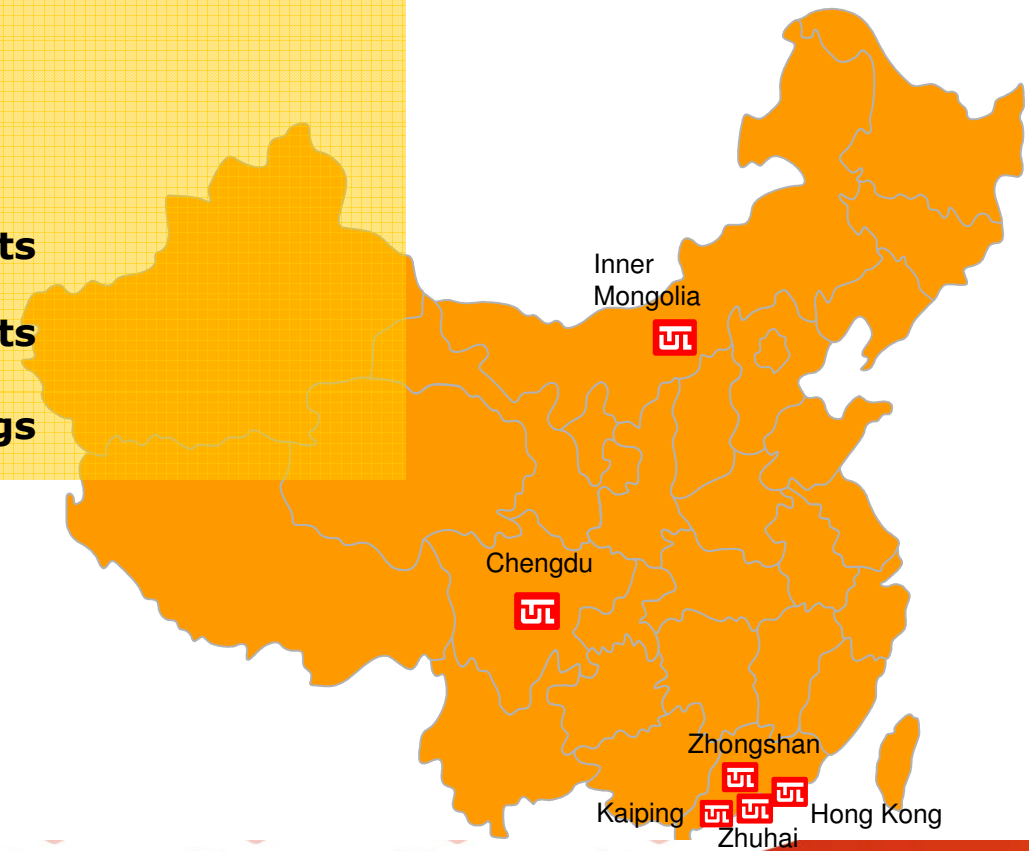
Section 3

Business review

Plant Locations



| Plant Location | Products |
|--------------------|-----------------------|
| TUL Hong Kong | Finished products |
| TUL Zhongshan | Finished products |
| TUL Zhuhai | Bulk medicine |
| TUL Chengdu | Intermediate products |
| TUL Inner Mongolia | Intermediate products |
| TUL Kaiping | Empty capsule casings |

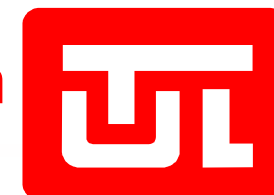


Production Capacity



| 2009 | Designed Capacity | Utilization Rate | External Sales % |
|--|-------------------|------------------|------------------|
| Intermediate products (tones) | | | |
| • 6-APA | 11,500 | 78% | 38% |
| • 7-ACA | 550 | 96% | 45% |
| Bulk medicine (tones) | | | |
| • Semi-synthetic penicillin type | 10,000 | 84% | |
| • Cephalosporins type | 800 | 90% | 90% |
| • β - lactamase inhibitor antibiotics type | 150 | 96% | |
| Finished products (mil) | | | |
| • Amoxicillin & Ampicillin capsules | 1,039 | 99.6% | |
| • Amoxicillin granules | 108 | 44.2% | 100% |
| • β - lactamase inhibitor antibiotics (bottle) | 12.9 | 98% | |

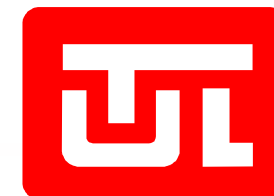
Sales Volume of Group's Products Break Record High



| Types | Products | Sales volume in 2009 | Sales volume in 2008 | yoy growth |
|--------------------------------|--|----------------------|----------------------|------------|
| Intermediate products (tonnes) | 6-APA | 3,666.7 | 2,424.5 | +51.2% |
| | 7-ACA | 252 | 165 | +52.7% |
| Bulk medicine (tonnes) | Semi-synthetic penicillin type | 6,975.8 | 3,637.5 | +91.7% |
| | Cephalosporins type | 682.4 | 580.5 | +17.5% |
| | β - lactamase inhibitor type | 148.8 | 110.3 | +34.9% |
| Finished products ('000 packs) | Ticarcillin Sodium and Clavulanate Potassium | 1.4 | - | - |
| | Tazobactam sodium and piperacillin sodium for injection (2.25g/4.5g) (packs) | 5.9 | 4.7 | +25.5% |
| | Amoxicillin capsules (250/500mg)* | 35.4 | 29.8 | +18.7% |
| | Ampicillin capsules (250/500mg) | 20.1 | 19.4 | +3.6% |
| | Cefuroxime Axetil Tablet* | 5.4 | 2.8 | +92.8% |
| | Eye drops* | 3.5 | 2.6 | +34.6% |
| | Adefovir capsules | 0.8 | 0.4 | +100% |
| Cephalosporins for Injection* | 32.6 | 27.8 | +17.2% | |

*Listed in Essential Drugs List. Eyes drops and Cephalosporins for injection products partially listed.

Average External Selling Price

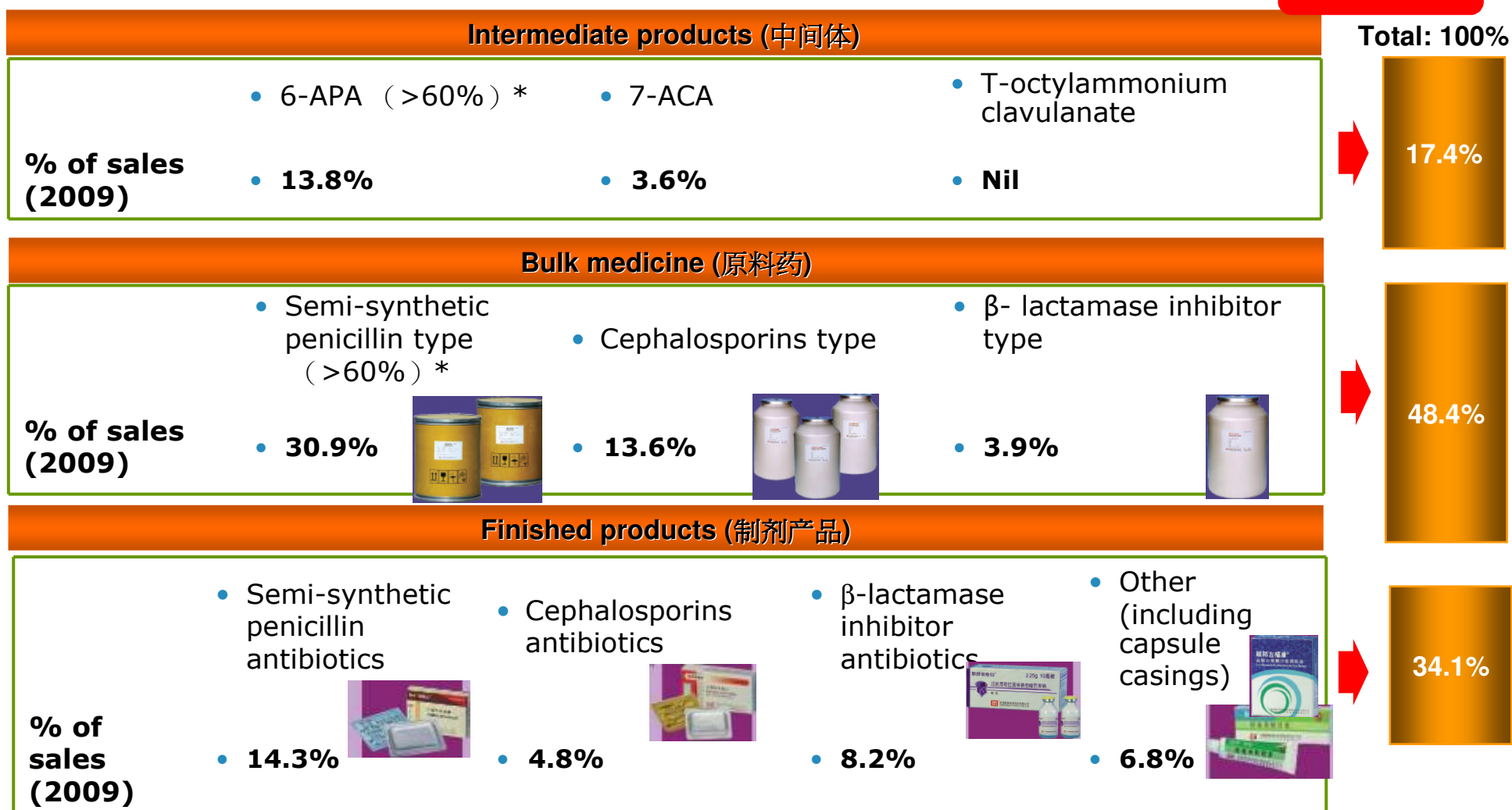
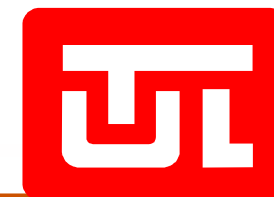


| Average External Selling Price | 2009 | 2008 | yoy growth |
|---------------------------------------|---------|-------|------------|
| Intermediate products (RMB/kg) | | | |
| • 6-APA | 153.4 | 232.4 | -34% |
| • 7-ACA | 594.1 | 669.5 | -11.3% |
| Bulk medicine (RMB/kg) | | | |
| • Semi-synthetic penicillin type | 181.1 | 249.2 | -27.3% |
| • Cephalosporins type | 821 | 864.5 | -5% |
| • β - lactamase inhibitor type | 1,025.6 | 949.8 | +8% |

* Selling price not including VAT

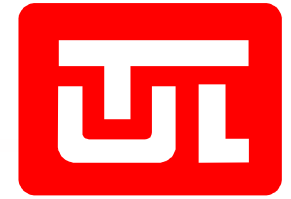
| Individual Pricing approved by the National Development and Reform Commission (NDRC) | Individual Pricing | Government ceiling price | Price Premium |
|--|--------------------|--------------------------|---------------|
| Finished products | | | |
| • Amoxicillin Granules 125mg x 12 packs | 10.2 | 8.0 | +27% |
| • Amoxicillin Capsules 250mg x 24 tablets | 15.7 | 9.0 | +74% |
| • Amoxicillin Capsules 500mg x 24 tablets | 27.4 | 15.8 | +73% |
| • Ampicillin Capsules 250mg x 24 tablets | 15.6 | 9.0 | +73% |
| • Ampicillin Capsules 500mg x 24 tablets | 26.5 | - | - |

Further Vertical Integration



*: Chinese market share.

Well-established Brands of Finished Products



As at 31 Dec 2009, a total of 173 bulk medicine and finished products obtained Drug Registration Approvals & Certificate of Drug/Production Registration in the PRC/HK. 76 were in production, and 34 were listed in Insurance Catalogue. 12 finished products are in the list of National Basic Drugs Catalogue.

Branded Finished Products

Amoxicillin Capsules



- Market share in 2009: 64%, ranked 1st for 6 consecutive years
- Performed bioequivalence test in USA with patent drug, got the same effectiveness
- Obtained individual pricing approval from NDRC, listed in Insurance catalogue & National Basic Drugs Catalogue
- Named as 2008 Beijing Olympic official medication product
- Listed in EDL

Ampicillin Capsules



- Market share in 2009: >90%, ranked 1st for 6 consecutive years
- The first brand in the market
- Obtained individual pricing approval from NDRC

Piperacillin sodium/ Tazabactam sodium for injection



Amoxicillin sodium/ clavulanate potassium for injection

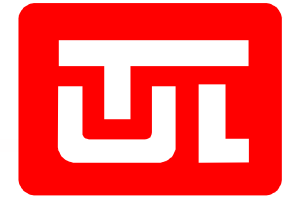


- Market share of 23-25% in 2009, top 2 in the market according to Chinese Pharmaceutical Association data
- Kept high growth of sales since launched
- Listed in Insurance catalogue

Qualifications & Awards

- Amoxicillin powder and compacted both obtained COS by EDQM
- Ampicillin approved by Japanese GMP and recognized by US FDA
- The group awarded "2009 The Chinese Outstanding Environment Protection Enterprise"

Extensive Sales and Distribution Network



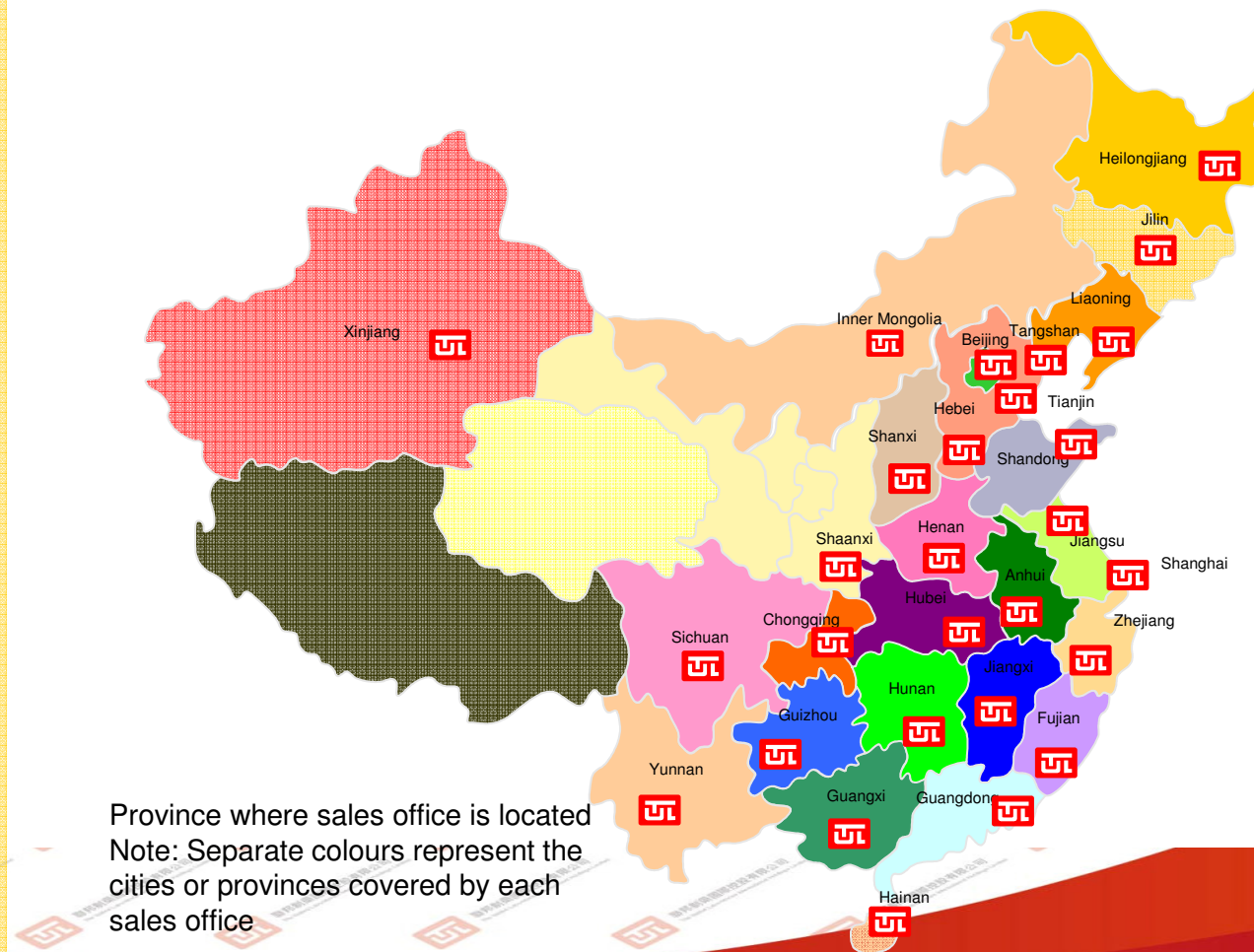
Success in the development of sales in PRC and the overseas markets

Sales inside the PRC

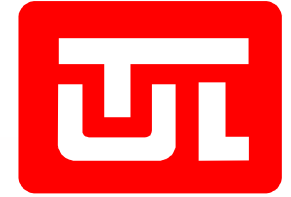
- Around 2,700 sales staff in 28 sales offices of finished products as at 31 December 2009
- Over 1,000 distributors, 80 of them are top class distributors

Overseas Markets

- Accounted for 21.9% of the Group total sales in 2009, 21.6% growth compared with 2008.
- Sales of intermediate products and bulk medicine to India, Europe, US, Japan and other countries



Diversified Customer Base Attributable to Quality Products



Domestic Customers



哈药集团

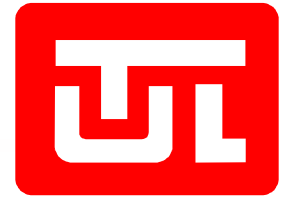


International Customers



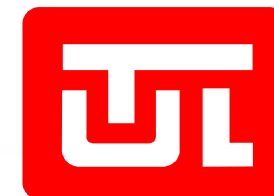
Long-term Contract Proportion

| | 2007 | 2008 | 2009 | 2010 |
|----------------------------------|--------|--------|--------|--------|
| Finished Products | 70-80% | 72-82% | 75-85% | 75-85% |
| Intermediates and Bulk Medicines | 10-20% | 20-30% | 30-40% | 35-45% |



Section 4 Strategies & Outlook

Growth Momentum



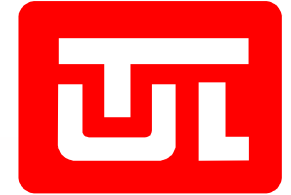
New Products

| Product | Classification | Main curative effects | Expected time for launching |
|--|----------------|---------------------------------------|-----------------------------|
| Recombinant Human Insulin Injection (重组人胰岛素注射液) | Bio product | For treatment of type I & II diabetes | 2H 2010 |
| Premixed Protamine Recombinant Human Insulin Injection (30/70) (精蛋白人胰岛素注射液 (30/70)) | Bio product | For treatment of type I & II diabetes | 2H 2010 |
| Premixed Protamine Recombinant Human Insulin Injection (50/50) (精蛋白人胰岛素注射液(50/50)) | Bio product | For treatment of type I & II diabetes | 2H 2010 |

| Expected time to commence operation | New production workshop |
|-------------------------------------|--|
| 2010 | Solid Finished Products (固体制剂) Penicillins Lyophilized Powder for Injection (青霉素冻干粉针车间) Amoxicillin Side Chain Workshop (阿莫西林侧链车间) Insulin Products (胰岛素车间) |

27 finished products under development at various stages 5 patents got approval and other 8 patents in applying process

Forecast and Strategies in 2010

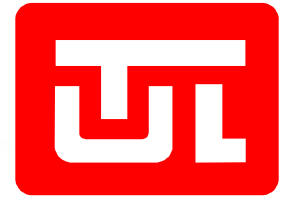


Forecast and Strategies for Intermediate Products & Bulk Medicine

- Country made policies to push medical reform through investment and promulgated The Essential Drugs List (EDL)
- Market demand expected to be boosted by country policies
- Average selling price bottom up and gross profit margin improves
- Reduction in production cost after the operation of phase II of Inner Mongolia plants and expanded Zhuhai plants
- Market share expected to grow after industry integration and the process of survival of the fittest

Forecast and Strategies for Finished Products

- Harvest period for finished products contributed by well-trained sales force
- Country-wide TVC for OTC products supported by marketing campaigns in stores
- Edge in community and rural market strengthened
- RMB 300M investment for human insulin production capacity and sales network
- R&D investment to develop products of high margin and great demand



Section 5

Q & A Session