



**The United Laboratories International Holdings Limited
Announces 2022 Annual Results**

Profit attributable to shareholders of the Company surged 60% to RMB1,581 million
Proposed final dividend increased 75% YoY to RMB14 per share
Proposed Special Dividend up 200% YoY to RMB6 per share

Financial Highlights

(RMB million)	For the year ended 31 December		
	2022	2021	Change
Revenue	11,334.3	9,703.4	+16.8%
Gross profit	4,969.0	4,221.0	+18.0%
EBITDA	2,640.8	1,883.7	+40.2%
Profit attributable to shareholders of the Company	1,581.1	988.1	+60.0%
Basic earnings per share (RMB cents)	86.89	53.70	+61.8%
Proposed final dividend per share (RMB cents)	14.0	8.0	+75.0%
Proposed special dividend per share (RMB cents)	6.0	2.0	+200.0

(22 March 2023 - Hong Kong) **The United Laboratories International Holdings Limited** (“TUL”, the “Company” or the “Group”; Stock code: 3933), one of the leading pharmaceutical product manufacturers in the PRC, announced today its annual results for the year ended 31 December 2022 (the “Year”).

For the Year, the Group recorded a revenue of approximately RMB11,334.3 million, an increase of approximately 16.8% as compared with the previous year. Gross profit grew 18.0% to RMB4,969.0 million. Earnings before interest, tax, depreciation and amortisation (EBITDA) was approximately RMB2,640.8 million, representing a year-on-year increase of 40.2%. Profit attributable to owners of the Company was RMB1,581.1 million, representing a year-on-year increase of 60.0%. Earnings per share were RMB86.89 cents. The increase in profit was mainly attributable to the steady increase in the Group’s turnover during the Year, and the continuous growth in the market prices of intermediate products and bulk medicines, resulting in an increase of the gross profit of the Group. The decrease in impairment loss on receivables was offset by an increase in research and development (“R&D”) expenditures and tax expense.

The board of directors recommends a final dividend of RMB14 cents per share and a special dividend of RMB6.0 per share for the year ended 31 December 2022, which, together with the interim dividend of RMB5.0 cents per share, will bring the total dividend for the Year to RMB25 cents per share.

During the Year, the external sales of finished products was approximately RMB4,560.3 million, representing a year-on-year increase of 13.0%. Diabetes products recorded a total sales revenue of approximately RMB1,175.5 million. Among which, recombinant human insulin injection recorded sales revenue of approximately RMB661.8 million, and registered a year-on-year increase of 8.8% in sales volume. Insulin glargine injection recorded sales revenue of approximately RMB422.1 million, and registered a year-on-year increase of 41.5% in sales volume. Insulin aspart injection and insulin aspart 30 injection recorded sales revenue of approximately RMB91.6 million, and registered a significant year-on-year increase of 940.4% in sales volume.

About other finished products, antibiotics products recorded a sales revenue of RMB3,063.0 million, representing a year-on-year increase of 32.9%. Piperacillin sodium and tazobactam sodium for injection recorded a sales revenue of RMB672.6 million, representing a year-on-year increase of 10.0%, and Amoxicillin capsules recorded a sales revenue of RMB578.8 million, representing a year-on-year increase of RMB14.7%.

The Group sped up the development of veterinary pharmaceuticals business during the Year. Veterinary pharmaceuticals recorded sales revenue of RMB796.9 million during the Year, representing a significant year-on-year increase of 106.1%. In July 2022, The United Animal Healthcare (Inner Mongolia) Co., Ltd. (內蒙古聯邦動保藥品有限公司), a wholly-owned subsidiary of the Company, entered into a strategic cooperation with Muyuan Foods Co., Ltd. (牧原食品股份有限公司) to establish a joint venture, which is principally engaged in the production and sales of veterinary drug powder, powder for injection, disinfectants (solid, and liquid), water for injection, tablets and intravenous infusion products. During the Year, the joint venture project progressed smoothly, and both parties have commenced a comprehensive and in-depth cooperation.

During the Year, the intermediate products and bulk medicines segment recorded external sales of approximately RMB1,599.2 million and RMB5,174.7 million, respectively, representing a year-on-year decrease of 5.9% and increase of 30.4%, respectively. Selling prices and sales volume of bulk medicine continued to increase and the selling price of intermediate products remained at a high level.

Overseas export recorded sales of RMB2,371.5 million, representing a year-on-year increase of 13.1%, accounting for 20.9% of total revenue of the Group. The Group secured its position as an industry leader in the domestic and export markets for intermediate products and bulk medicine. In September 2022, various antibiotic sterile bulk medicines of Zhuhai United Laboratories Co., Ltd. (珠海聯邦製藥股份有限公司), a wholly-owned subsidiary of the Company, passed the official inspection of the Spanish Agency for Medicine and Health Products (AEMPS), and the subsidiary obtained the GMP Compliance Certificate issued by the Spanish government, representing that TUL gained further trust and recognition from EU countries for its production strength and product quality, which in turn facilitates the Group to increase international presence of its business.

The Group continued to devote itself to the R&D of drugs. During the Year, the Group invested a total of RMB593.6 million in pharmaceutical R&D, with a year-on-year increase in R&D expenses of 27.6%. The Group has 29 new products under development, of which 15 products are class-I new drug projects. The Group has established a comprehensive R&D system characterised by collaborative development among multiple platforms such as biological R&D, chemical drug R&D, innovative drug R&D, clinical research centre and external cooperation, focusing on endocrine, autoimmune, ophthalmology and other fields.

During the Year, the Group made significant progress in various R&D projects. In June 2022, the Group obtained the clinical trial approval for its insulin degludec and insulin aspart injection from National Medical Products Administration (“NMPA”). In August 2022, the Group received the notice of acceptance of clinical registration application for semaglutide injection and obtained the clinical trial approval in October, which will further enrich the Group’s product portfolio in the field of diabetes treatment. In October 2022, clinical trial approval for TUL01101 Ointment, a class-I new drug for the treatment of mild to moderate atopic dermatitis, was obtained. In October 2022, the application for clinical registration of TUL12101 Eye Drop, a class-I new drug for the treatment of dry eye disease, was accepted. In addition, sodium hyaluronate eye drop (specification: 0.1% (0.4 ml: 0.4 mg)) and sodium hyaluronate eye drop (specification: 0.3% (0.4 ml: 1.2 mg)) were approved for sales during the Year, which further enhanced the Group’s market competitiveness in the field of ophthalmology.

In terms of quality and efficacy consistency evaluation of generic drugs, during the Year, the Group successively passed the consistency evaluation of biapenem for injection (specification: 0.3g), cefuroxime axetil tablets (specification: 0.125g) and piperacillin sodium and tazobactam sodium for injection (specification: 4.5g). The above-mentioned sodium hyaluronate eye drops (specification: 0.1% (0.4ml: 0.4mg)) and sodium hyaluronate eye drops (specification: 0.3% (0.4ml: 1.2mg)) that have passed the approval for sales have also been deemed to

have passed the consistency evaluation. The Group will continue to promote the R&D and the consistency evaluation of new drugs to provide patients with more safe and high-quality drug options.

To actively promote the R&D of biological drugs, the United Bio-Technology (Hengqin) Co., Ltd. (聯邦生物科技(珠海橫琴)有限公司) (“United Bio-Technology”), one of wholly-owned subsidiaries of the Group, was officially established in April 2022 in the Hengqin-Guangdong-Macao In-Depth Cooperation Zone. As the Group’s biopharmaceutical R&D headquarters, it specialises in the R&D of drug products for energy metabolism, inflammation and autoimmune diseases. The primary mission of United Bio-Technology is the R&D of high-end biological drugs for the treatment of major chronic diseases, and it will gradually develop into a professional institution for chronic disease management. In the future, United Bio-Technology will strengthen international cooperation and project introduction, and actively promote the progress of new drug projects to further enhance its competitiveness in the biomedical industry.

In terms of finance, the Group continuously optimised the financial structure to improve liquidity by adjusting the ratio of onshore and offshore borrowings. During the year, the Group successively obtained Hong Kong dollar term loan facilities from several banks, which provided sufficient liquidity to the Group and demonstrated that the Group’s profitability was widely recognised by financial institutions. As at 31 December 2022, the Group’s net bank balances and cash (after deducting borrowings and trade payables under supplier finance arrangement) amounted to RMB1,394.6 million. The Group will actively adjust its financial structure by using Renminbi as the main borrowing currency in its efforts to reduce overall finance costs and enhance financial flexibility and efficiency in the use of funds.

Looking ahead, **Mr. Tsoi Hoi Shan, Chairman of the Group** concluded that, “In 2023, the global economy will face greater downward pressure with persistent uncertainties. Amid the challenging external environment, China’s economic vitality will be fully released with the relaxation of domestic epidemic control policies. In this context, pharmaceutical industry will accelerate its recovery and break new ground in development. Leveraging the opportunities arising from development and reform China’s pharmaceutical and healthcare industry, the Group will take a policy-oriented approach to consolidate the advantages of its core industries in order to drive our development through scientific research and innovation. Looking ahead, the Group is confident that it will keep consolidating and enhancing its position and influence in the pharmaceutical industry in China amid the changes in the industry, so as to create greater value for shareholders and the society.”

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Company Information

TUL is one of the leading comprehensive pharmaceutical companies in China, principally engaged in the R&D, manufacturing and selling of finished products, bulk medicines and intermediate products. Its products include drugs for human use and animal healthcare. The Group has six production bases, and its sales teams for intermediate products, bulk medicines and finished products formed a broad sales network covering China and the rest of the world. Currently, TUL is one of the few pharmaceutical companies in China that owns both second and third generation insulin products. The Group is presently a constituent of the Hang Seng Composite Index Series and maintains MSCI ESG rating at A, which is an industry-leading rating.

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