



**The United Laboratories
International Holdings Limited**

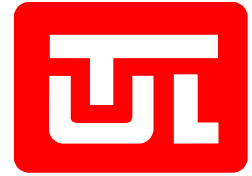
Interim Results 2007

September 2007





Agenda



1 Major Accomplishments in 1H2007

2 Business Review

3 Financial Highlights

4 Strategies & Outlook

5 Q&A

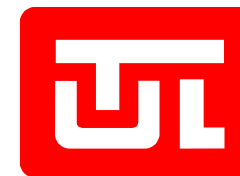


Section 1

Major Accomplishments in 1H2007



Results Overview



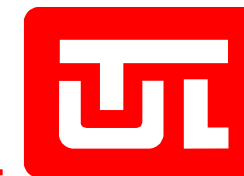
- Successfully listed on the main board of Hong Kong Stock Exchange on 15 Jun 2007
 - 26.87 times over-subscribed for retail tranche, substantially over-subscribed for placing tranche
 - US\$121.4 million raised
- Impressive results in 1H2007
 - Turnover and net profit surged 28% and 108% respectively
- New product, Adefovir dipivoxil capsules, launched in September 2007 and received satisfactory market response
- Average selling price of bulk medicine significantly increased by 58% due to strong market demand





Section 2 Business review

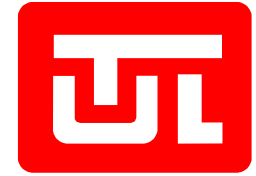


1 Growing Sales Volume of Group's Products



| Types | Products | Sales volume in 1H 2007 | Sales volume in 1H 2006 | yoy growth |
|---|--|-------------------------|-------------------------|------------|
| Intermediate products (tonne) | 6-APA | 215.2 | 390.4 | -45% |
| Bulk medicine (tonne)  | Semi-synthetic penicillin type | 1,442.0 | 1,228.0 | +17% |
| | Cephalosporins type | 306.5 | 427.8 | -28% |
| | β - lactamase inhibitor type | 32.5 | 4.0 | +713% |
| Finished products  | Amoxicillin granules (pack) | 1,709 | 1,416 | +21% |
| | Tazobactam sodium and piperacillin sodium for injection (2.25g) (pack) | 7,550 | 5,153 | +46.5% |
| | Cephalosporins for Injection (pack) | 8,754 | 1,693 | +417.1% |
| | Amoxicillin capsules (250mg) | 6,484 | 6,790 | -5% |
| | Ampicillin capsules (250mg) | 8,508 | 8,751 | -3% |

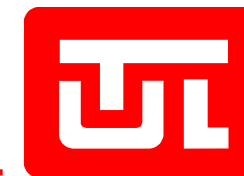
2 Rising Average Selling Price



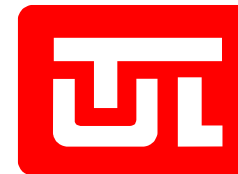
| | 1H2007 | 1H2006 | yoy growth |
|---|--------|---------|------------|
| <i>Intermediate products (RMB/kg)</i> | | | |
| • 6-APA | 269.4 | 170.3 | + 58% |
| <i>Bulk medicine (RMB/kg)</i> | | | |
| • Semi-synthetic penicillin type | 290.9 | 190.7 | +53% |
| • Cephalosporins type | 836.5 | 811.3 | +3% |
| • β - lactamase inhibitor type | 980.3 | 1,538.7 | -36% |
| <i>Finished products (RMB/package)</i> | | | |
| • Semi-synthetic penicillin antibiotics | | | |
| – Ampicillin capsules (250mg) | 11.2 | 10.2 | +10% |
| – Amoxicillin capsules (250mg) | 10.3 | 9.2 | +12% |
| – Amoxicillin capsules (500mg x 24 capsules) | 17.7 | 16.2 | +10% |
| – Amoxicillin granules | 6.8 | 6.1 | +11% |

* All prices were excluding VAT

3 Expanding Production Capacity



| | 1H2007 (Designed Capacity) | Utilization Rate |
|--|-------------------------------|---------------------|
| <i>Intermediate products (tonnes)</i> | | |
| • 6-APA | 1,733.5 | 69% |
| <i>Bulk medicine (tonnes)</i> | | |
| • Semi-synthetic penicillin type | 1,884 | 94% |
| • Cephalosporins type | 331 | 53% |
| <i>Finished products</i> | | |
| • Amoxicillin & Ampicillin capsules | 593 mil | 93% |
| • Amoxicillin granules | 23 mil | 83% |
| • β - lactamase inhibitor antibiotics (bottle) | 5.24 mil | 79% |



4 Extensive Sales and Distribution Network

Success in the development of sales inside and outside the PRC

Sales inside the PRC

- Over 1,600 sales people in 24 sales offices as at 30 June 2007
- Direct contact with hospitals and pharmacies

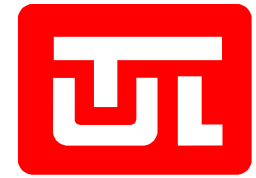
Sales outside the PRC

- Total sales outside of PRC accounted for 25% of the Group total sales in 1H2007 (1H2006:19.8%, 2006: 21.4%)
- Sales of intermediate products and bulk medicine to Germany, Korea and India



△ City where sales office is located
Note: Separate colours represent the cities or provinces covered by each sales office

5 Diversified Customer Base Attributable to Quality Products



Customers

Finished products



Bulk medicine



Certification

GMP

- All bulk medicine and finished products production facilities are GMP certified

Drug Registration Approvals

- Drug Registration Approvals from FDA (U.S.) (applying)
- European Directorate for the Quality of Medicines (EDQM) (applying)

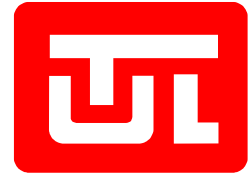
PRC brands with excellent quality

Awards

- Received many awards in recognition of its excellent product quality
- Recognised as an Enterprise of Advanced New Technology

Individual pricing

- 5 products have awarded with Individual Pricing



6 Environmental Engineering

- The Group has established waste water treatment facilities at both its production plants in Zhuhai and Chengdu to meet with applicable national environmental standards
- Closely monitors the performance of its environmental facilities to ensure compliance with national and local regulatory standards

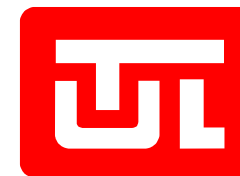


Section 3

Financial Highlights

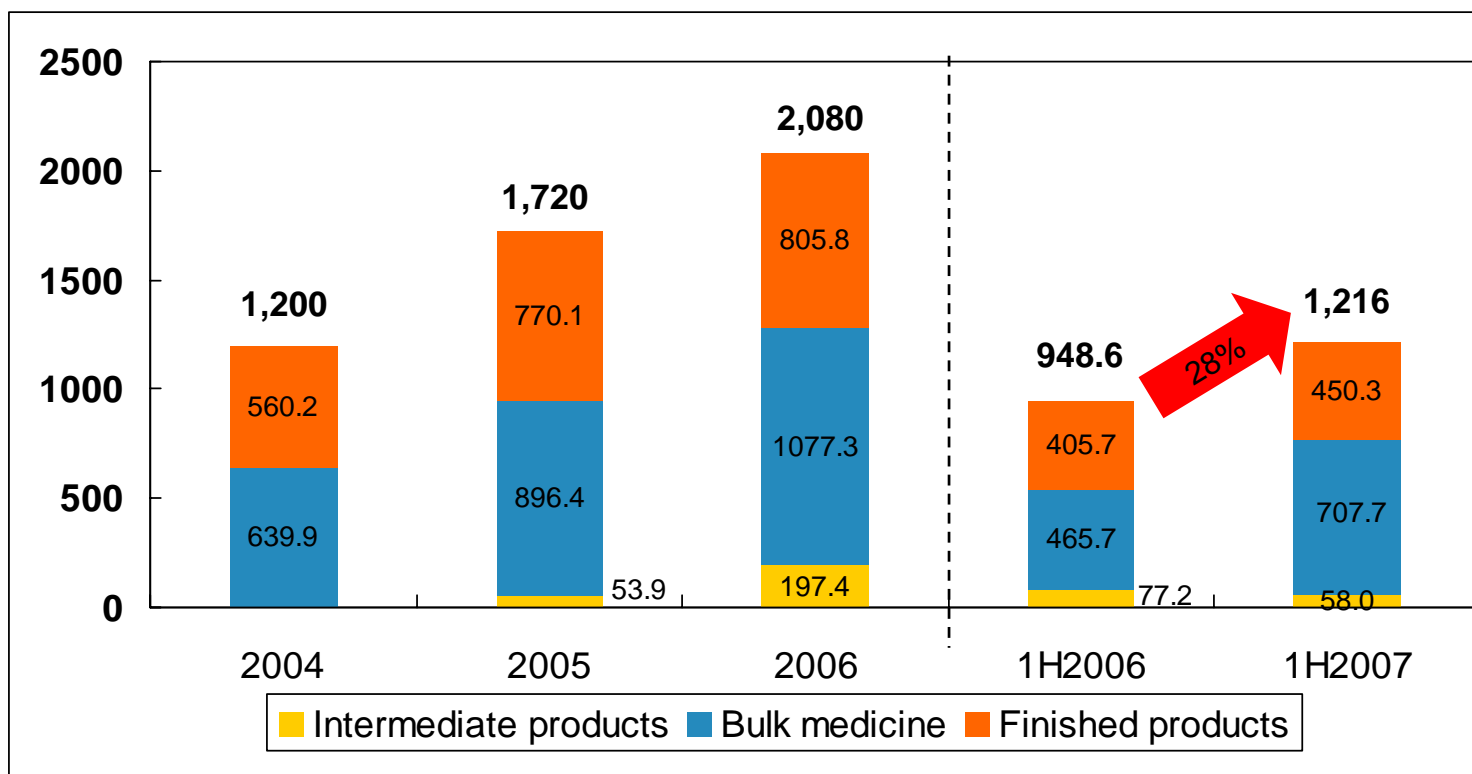


Revenue

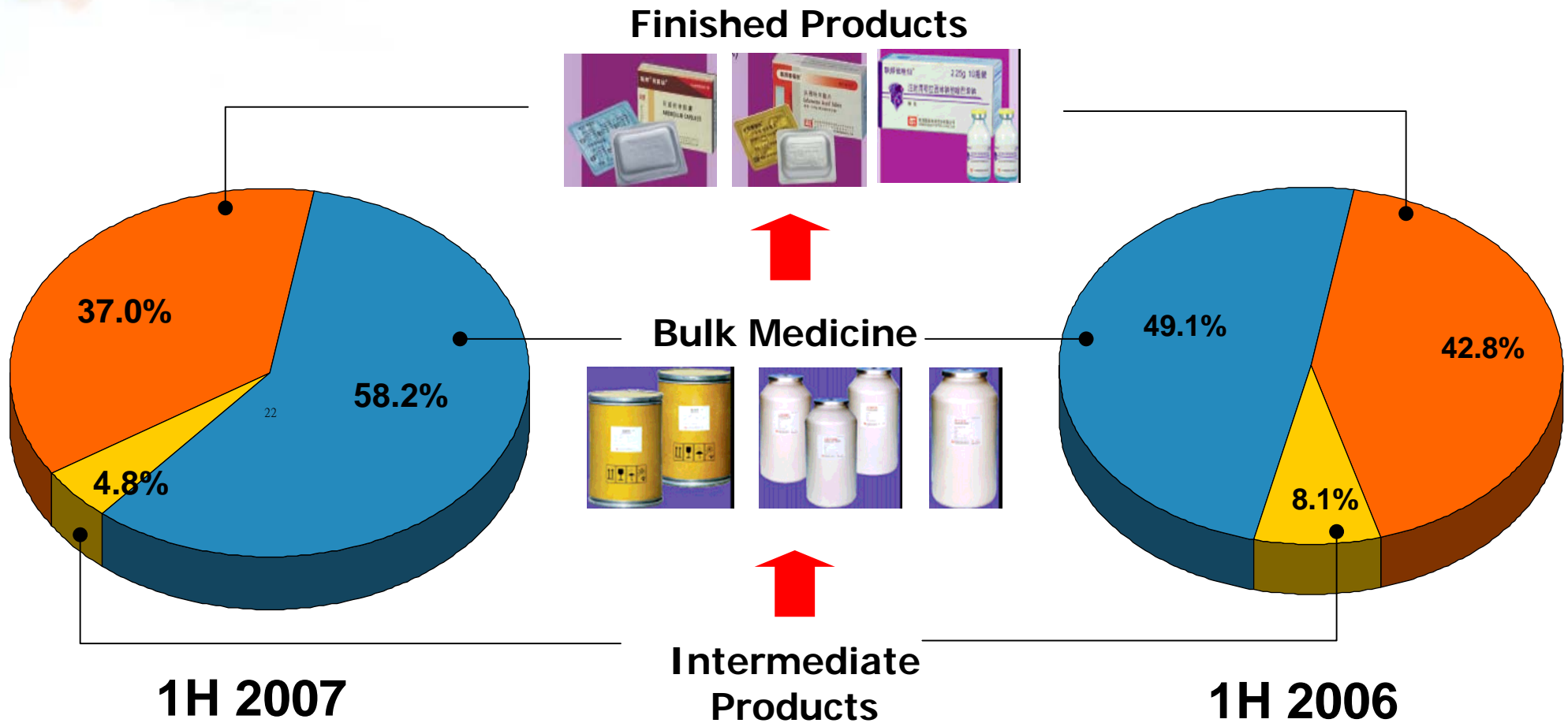
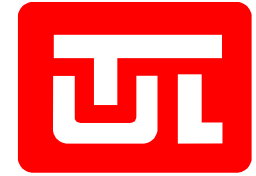


Revenue

(HK\$m)

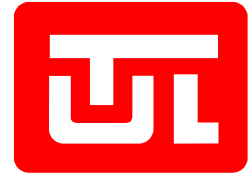


Revenue Breakdown by Products

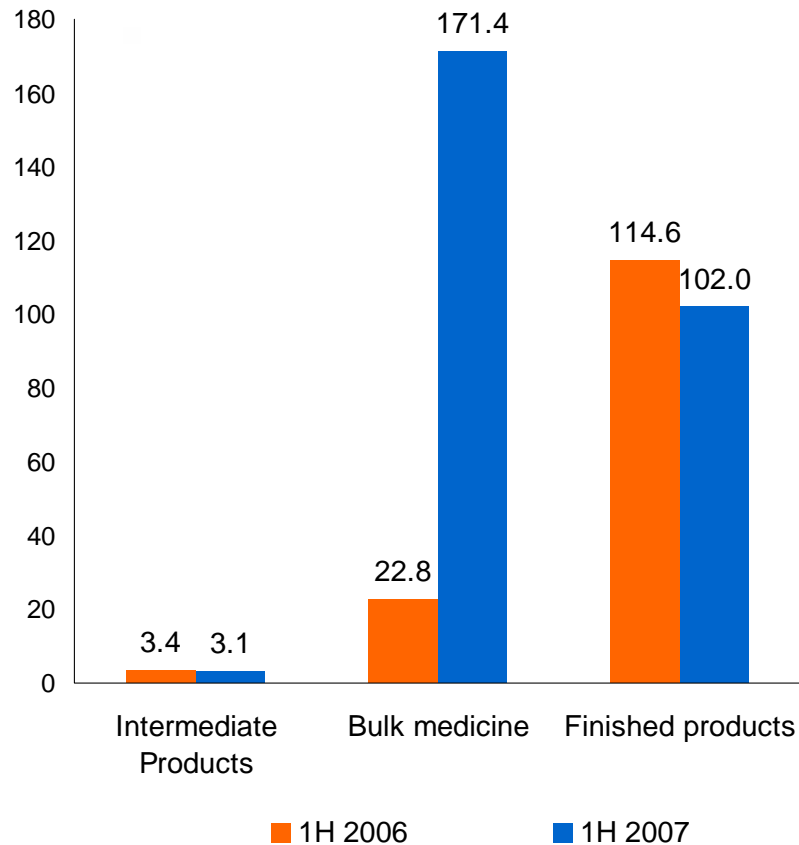


TUL benefits stable supply to downstream production, costs efficiency and flexibility from its vertical integration

Business Segment Results & Margins

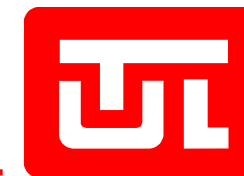


(HK\$m)

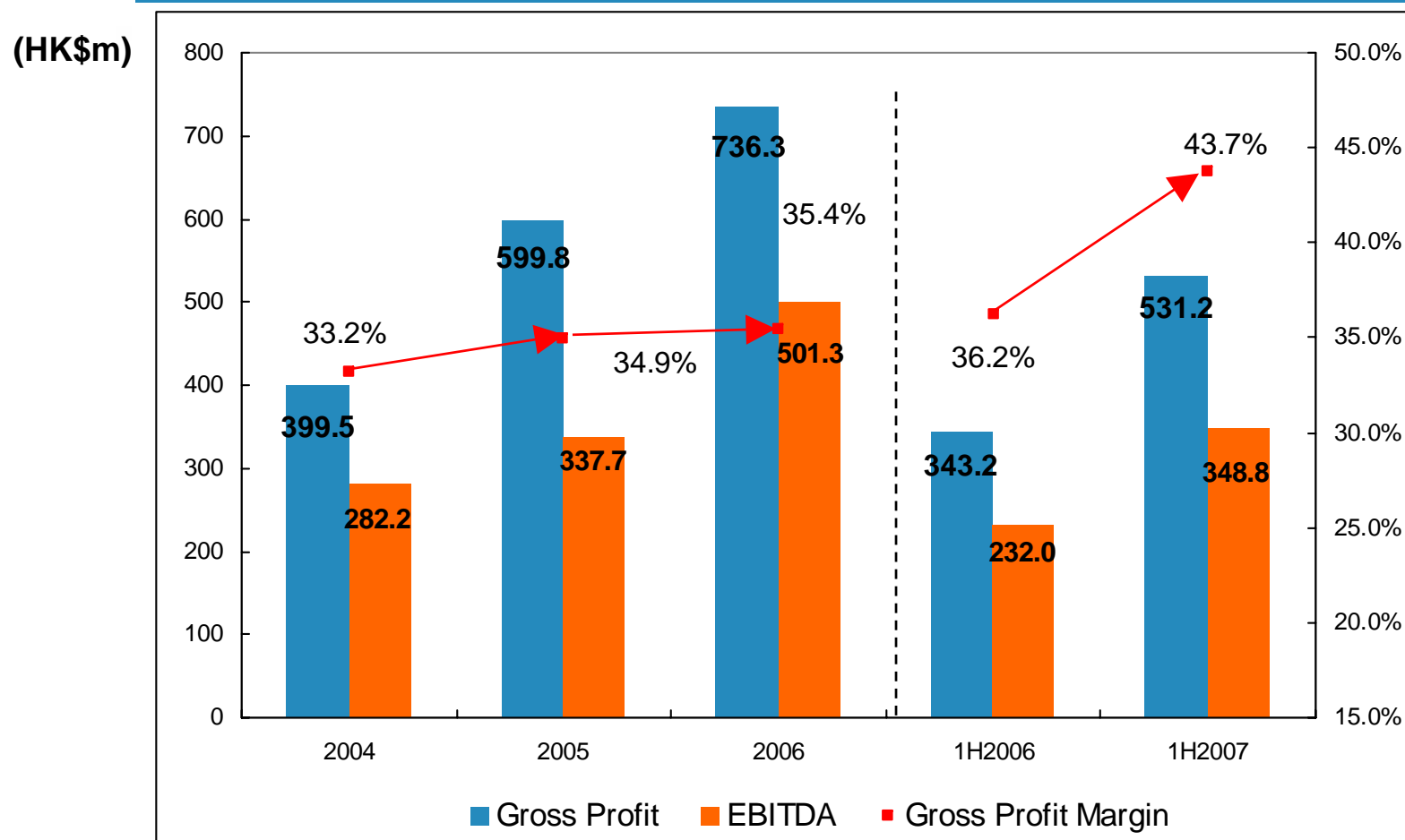


| | Margins | |
|-----------------------|--------------|---------|
| | 1H 2007 | 1H 2006 |
| Intermediate products | 5.4% | 4.5% |
| Bulk medicine | 24.2% | 4.9% |
| Finished products | 22.7% | 28.3% |

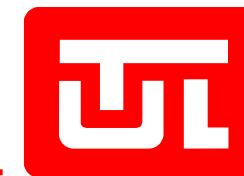
Gross Profit



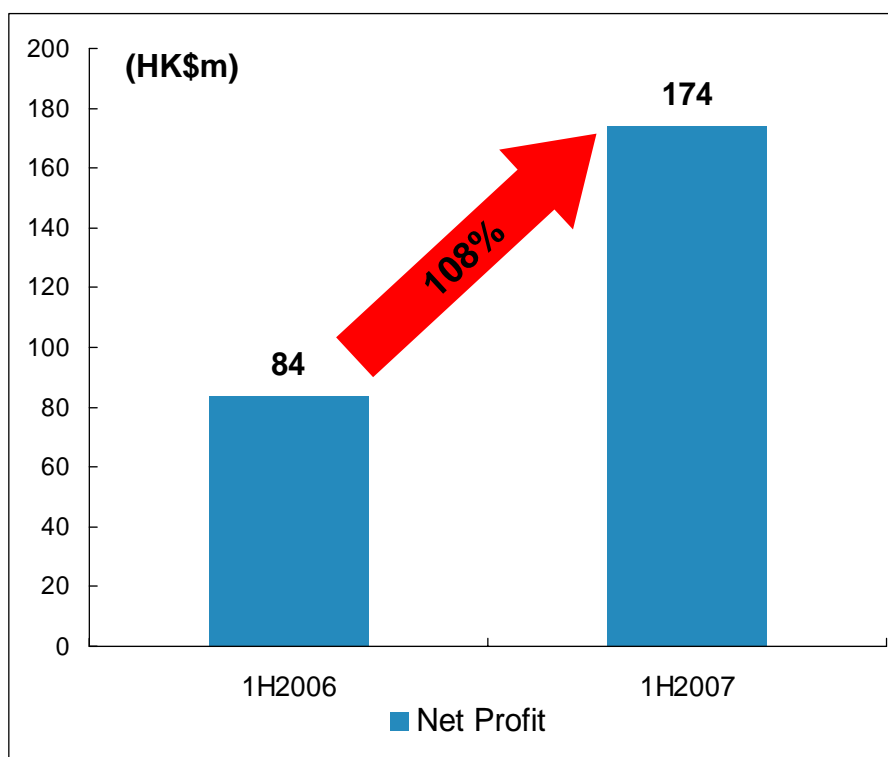
EBITDA, Gross profit and Gross profit margin



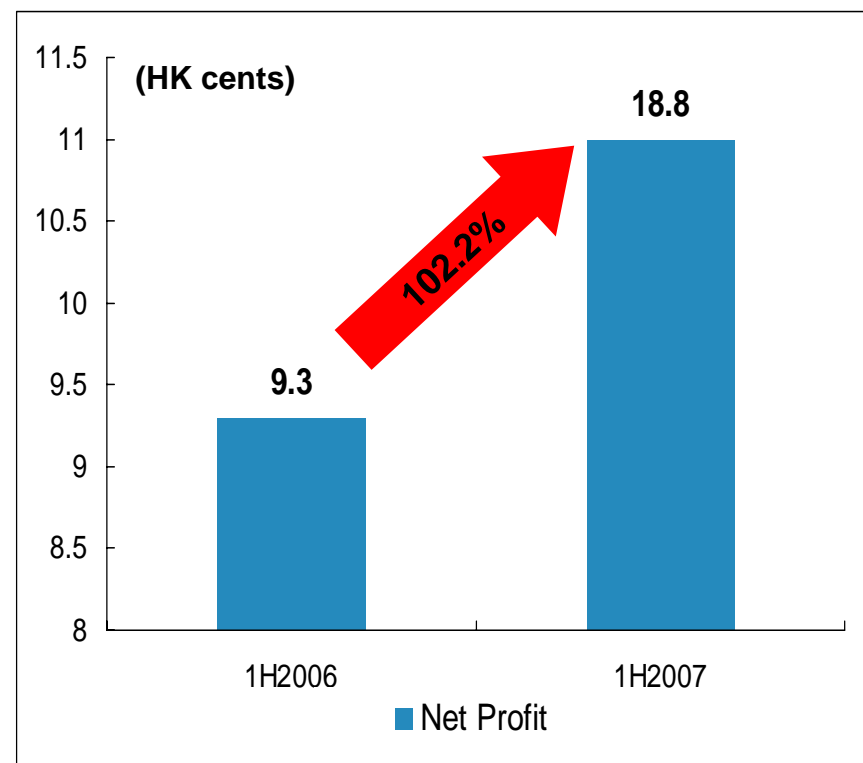
Profit Attributable to Shareholders & EPS



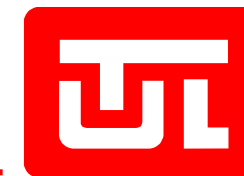
Profit Attributable to Shareholders



EPS



Other Key Financial Indicators



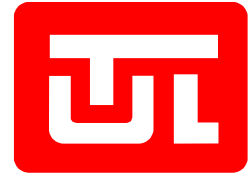
| | As at 30 Jun 2007 | As at 31 Dec 2006 |
|--|-------------------|-------------------|
| Trade and bills receivable turnover (days) | 99.0 | 131.8 |
| Trade and bills payable turnover (days) | 186.4 | 210.0 |
| Current ratio | 1.23 | 1.00 |
| Gearing ratio ⁽¹⁾ | 29.0% | 39.5% |
| Cash and cash equivalents (HK\$ '000) | 859,213 | 99,226 |
| Total assets (HK\$ '000) | 4,136,720 | 3,712,220 |

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



Section 4 Strategies & Outlook

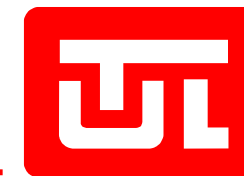




Market Outlook

- Domestic market:
 - pharmaceutical industry will experience abundant growth despite rising cost pressure
 - Expanding medical coverage to more urban and rural areas
 - In an advantageous position to grasp the opportunities arising from market consolidation
- Overseas market:
 - Growing demand for bulk medicine and intermediate products

Promising New Drug Pipeline



New Products

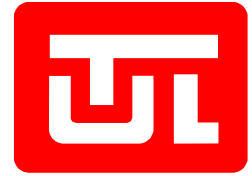
| Product | Classification | Main curative effects | Expected time for obtaining drug registration approval |
|--|-------------------------|---|--|
| Adefovir dipivoxil capsules (阿德福韋酯膠囊) | Nucleotide antivivotic | For treatment of hepatitis B | 1H 2007 |
| Isophane protamine human insulin injection (精蛋白人胰島素注射液) | Bio product | For treatment of type I & II diabetes | 2008 |
| 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 | 2008 |
| Meropenem for injection (注射用美羅培南) | Carbapenems antibiotics | For treatment of various types of injection | 2008 |

Major research projects

| Research partner | Research project | Current Status |
|---|---|--|
| SFDA Sichuan Antibiotics Industry Research Centre | Development for the treatment of hepatitis B | Application made for production approval in the PRC |
| Xgen Laboratories | Development of therapeutic vaccines against Tumor | Pre-clinical testing stage |
| Chengdu Yatu Biotechnology Co., Ltd. | Development of orlistat | Application made for commencement of clinical testing in the PRC |

26 finished products under development at various stages

Strategies in 2H 2007



Strategies

- Expansion of intermediate production capacity to maximise the benefits of large scale production and vertical integration
- To establish a new intermediate production plant in Inner Mongolia, increasing production capacity of 6-APA
- Enhance R&D capability and introduce new products to expand revenue stream
- Stringent cost control 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

