

To Financial Editors:
【For Immediate Release】



聯邦制藥國際控股有限公司
The United Laboratories International Holdings Limited
(SEHK: 03933)

The Group Recorded the Highest Ever Sales of HK\$2.1B
Capture Opportunities Arising from National Policies to Foster Long Term Growth

Financial Highlights

	For the six months ended 30 June	
	2009 (HK\$ thousand)	2008 (HK\$ thousand)
Turnover	2,076,173	1,971,720
Gross profit	742,077	788,912
EBITDA	419,661	545,276
Profit attributable to shareholders	134,445	300,039
Earnings per share	11.2 HK Cents	25.0 HK Cents

【9 September 2009 - Hong Kong】 - The United Laboratories International Holdings Limited (“TUL” or the “Group”; Stock code: 3933), one of the leading manufacturers of antibiotics in the PRC, announced today its interim results for the six months ended 30 June 2009.

For the six months ended 30 June 2009, the Group’s turnover increased by 5.3% to HK\$2.1 billion, as compared with the same period in the preceding year. It increased by 16.4% while comparing with the second half of 2008 which reflects strong resilience of the Group. The Group’s profit attributable to shareholders dropped 55.2% to approximately HK\$134 million year-on-year. However, it increased by 3.2% while comparing with the preceding half year. Segmental turnover (including inter-segment sales) of intermediate products, bulk medicine and finished products were increased by 8.4%, 5.0% and 15.7% respectively for the six months ended 30 June 2009, as compared with the same period in preceding year. Segmental profit of intermediate products and bulk medicine decreased by 70.3% and 59.8% respectively and segmental profit of finished products increased by 17.0%.

Mr. Choy Kam Lok, Chairman of TUL, said, “The Group’s turnover recorded the highest ever sales in the first half of 2009, reflecting the strong fundamentals of the Group. Sales

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of intermediate products, bulk medicine and finished products kept growing. Among three main types of products, profit of finished products outperformed. The Group took advantage of the integrated vertically production model to optimize the profit by controlling the proportion of external sales against the product portfolio.”

In the first half of 2009, despite persistent challenges to the global economy, China has swiftly adapted itself with its economy stabilizing and on track to recovery. During the period, the Group further strengthened employee morale by adhering to the policy of “no production stoppage, no layoff, no pay cut” so as to provide a strong support for the long term development of the Group. The Group has closely monitored the changes in the market and adopted every decisive measure to take advantage of the state policy so as to establish a leading position in the industry as well as to fuel future growth.

For the six months ended 30 June 2009, the Group achieved satisfactory breakthrough and recorded the highest ever sales. As a result of the global financial tsunami, all commodity prices were negatively affected, the price of intermediate products and bulk medicines substantially dropped as compared with the second half of last year which in turn affected our results for the period. The sales volume of our three main products, namely intermediate products, bulk medicines and finished products saw continuous growth, in particular finished products, thanks to our expanded sales force of approximately 2,400 persons, which substantially increased the market coverage of our finished products and led to significant increase in turnover. Meanwhile, turnover of intermediate and bulk medicines also recorded growth.

By the end of the first half of 2009, the Group has a total of five major production bases, namely the finished products plant in Hong Kong, the finished products plant in Zhongshan, the bulk medicine plant in Zhuhai, the intermediate products plant in Chengdu, and the comprehensive integrated production plant in Inner Mongolia. The five production bases are complementary to each other by fully leveraged on an integrated vertically production model, thus reducing cost and enhancing productivity and reinforced the Group’s leading position in the industry. In addition, we have increased our sales force from approximately 800 persons in 2007 to 2,400 persons in the first half of 2009 and largely increased the points of sales, thus achieving overall sales growth in both the urban and rural areas.

Looking ahead to the second half of 2009, it is generally believed that the impact of the financial tsunami on the global economy will gradually diminish and positive economic signs will show up which is likely to stimulate the pharmaceutical sector. With the State Council’s RMB850 billion investments in medical reform gradually in place, medical and pharmaceutical demand in the PRC will increase significantly.

The Group, being a dominant player in the PRC market with a strong sales network and sales team, is expected to secure a bigger market share. Moreover, the Group’s three main

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products streams, intermediate products, bulk medicines and finished products are being admitted to The Catalogue of National Essential Drugs (for the Fundamental Medical and Health Institutions), which is expected to have a positive impact on our sales. Meanwhile, it is believed the medical reform as well as the launch of The Catalogue of National Essential Drugs will accelerate consolidation of the medical and pharmaceutical sector. Being a major industry player, the Group will seize every opportunity to expand its market share.

In view of such rare opportunities, the Group will continue to stay abreast of the market changes and adopt timely and effective measures to fuel our long term growth momentum. The Group will adopt the following measures to reinforce our strength and increase shareholders' return:

1. Strengthen staff training and increase efficiency

Our staff is the most valuable asset of the Group. Therefore, the Group will strengthen staff training. Staff at the production bases is required to be familiarized with the workflow and quality control and acquired certain management skills to optimize our production efficiency. On the other hand, more resources will be allocated to strengthen the product knowledge, sales and marketing skills as well as customer relationship management of our sales team, with an aim to effectively enhance our brand awareness and increase sales. The Group also put in place a complete staff promotion system and human resource management system to boost staff morale for maximum return of the Group.

2. Exploration and innovation, reduce consumption, reduce costs and increase profitability

All production bases shall strictly control cost and reduce consumption. A series of measures aim at controlling cost and increasing efficiency, optimizing research and development as well as production by means of advanced technology have started to reap positive results. Cost control and efficiency enhancement will be our priority in the second half of 2009. We will strive to increase plants production efficiency and utilization rate, appropriately expand production lines in order to increase the gross profit margin of our products. On the other hand, the Group is fully aware of future market trend and market demand and will therefore continue to invest in research and development to strengthen our product portfolio. Innovative products with higher profit margin will be developed to gain better return for the shareholders.

3. Strengthen brand building and TV advertisement for OTC drugs

The Group has established goodwill and a strong brand name for its intermediate and bulk medicine products and gained brand awareness for its finished products in major cities. In future, the Group will continue to strengthen the brand name of its medicines and finished products through unparalleled product quality and marketing strategies. We will deploy our resources for sales and marketing activities including product promotion and shop promotion in a strategic manner. Our sales team will deepen strategic cooperation with distributors to build brand awareness and gain excellent brand marketing effect for both medicines and finished products. In the second half of 2009, the Group will place TV advertisement across the country in different stages, which together with shop promotion, aiming at promoting OTC drugs, is expected to greatly enhance the sales of OTC drugs. To coordinate with the TV advertisement, the Group has significantly increased the points of sales nationwide so that our OTC drugs can be reached by all consumers in every market across the country.

4. Continue penetration into the community and rural market by riding on favorable state policy

The aim to assist the public community and rural areas is obviously seen in the state medical reform, while improving the living standard of rural people economically is also a top priority in state policy. In view of this, the Group recruited a large number of front-line sales persons in the second half of last year who had finished training and are making satisfactory progress in city community and rural areas in terms of sales. The management expects those markets will be the next growing point of the Group and thus will invest more resources into those markets to increase our leading edge.

Looking forward, we believe the Group will have abundant opportunities with improved economic environment and the launch of favorable medical reform and agricultural supporting policy. With the support of our excellent management team and staff, highly efficient production equipment and process, strong sales network and shareholders, we will be able to seize every opportunity offered by state policy and comes along with market change and establish long term growth momentum for the Group. We are dedicated to become a first-rated pharmaceutical brand in China and even around the World and generate satisfactory return for our shareholders.

Mr. Choy added, "We will foster the development of the phase II of the Inner Mongolia production plant and start a trial production run in the second half of 2009. The Group will enhance proactively the production effectiveness and utilization rate of each production plant. The Group will control its production costs effectively through a

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vertically-integrated production structure and optimize gross profit by rebalancing the proportion of external sales of each product depending on market demands and price. While boosting product sales and brand development, the Group will continue to market OTC medicines with greater efforts and enlarge market share of our key products. We will further boost sales of OTC products by placing TV advertisements across the country. The Group will capture opportunities emerged from policies of medical reform and Government's supports on rural areas. To ensure long term growth, we will enhance our capability of sales force and upgrade our sales network. The Group will strive to maintain its leading position in the industry. While bringing quality medicines to the Chinese citizens, the Group will endeavor to enhance return of its shareholders."

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About The United Laboratories International Holdings Limited

Listed on the Stock Exchange of Hong Kong in June 2007, TUL is one of the leading pharmaceutical companies in China, principally engaged in the manufacturing and selling of medicines, and the bulk and intermediate products used to produce finished goods. As of 30 June 200, the Group has a total of 168 products qualified to produce in the PRC and/Hong Kong based on the Drug Registration Approvals in the PRC and Certificates of Drug or Product Registration in Hong Kong. 76 were in production, and 34 were listed in Insurance Catalogue. 12 finished products are in the list of National Basic Drugs Catalogue. For more information about TUL, please visit the company's website at www.tul.com.hk.

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