

[For Immediate Release]



**The United Laboratories International Holdings Limited
Announces 2021 Interim Results**

**Profit attributable to shareholders up by 207.2% to RMB623.1 million
Insulin series products maintained steady growth
Successfully delivered first batch of insulin aspart products**

Financial Highlights

(RMB mn)	For the six months ended 30 June		
	2021	2020	Change
Revenue	4,719.1	4,304.6	+9.6%
Gross profit	2,095.9	1,798.0	+16.6%
Profit attributable to shareholders of the Company	623.1	202.8	207.2%
Earnings per share (RMB cents)			
- Basic	33.86	11.97	182.9%
- Diluted	33.86	11.97	182.9%
Interim dividend per share (RMB cents)	4.0	N/A	-

(27 August 2021 - 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 China, announced today its unaudited interim results for the six months ended 30 June 2021 (the “Period”).

In the first half of 2021, the Group’s revenue amounted to approximately RMB4,719.1 million, representing a year-on-year increase of approximately 9.6%. EBITDA was approximately RMB1,056.8 million, representing a year-on-year increase of 39.8%. Profit attributable to owners of the Company was RMB623.1 million, representing an increase of 207.2% as compared with the same period last year. Excluding the impact of non-recurring items such as fair value change arising from convertible bonds last year, the Company’s adjusted operating profit from core business was RMB624.6 million, representing a year-on-year increase of 46.5%. Earnings per share were RMB33.86 cents. The Board recommends an interim dividend of RMB4.0 cents per share for the six months ended 30 June 2021.

During the Period, the Group’s finished products recorded a total revenue of RMB1,929 million, up 10.2% year on year. The Group’s diabetes products maintained a steady growth, with the insulin product series recording revenue of RMB665 million, up 18.0% year on year. In particular, the recombinant human insulin injection (USLIN) and glargine insulin injection (USLEN) recorded sales revenue of RMB420 million and RMB245 million, with their sales volume recording a year-on-year increase of 6.9% and 44.2%, respectively. For other finished products, revenue from the sales of antibiotic products increased by 22.7% to RMB1,130 million.

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In intermediate products and bulk medicine, the Group recorded an external sales revenue of RMB822 million and RMB1,968 million, representing a year-on-year increase of 18.9% and 5.7% respectively. Among them, the selling price of 6-APA remained stable at a high level. The Group's export sales recorded a sales revenue of RMB1,197 million. The Group continued to secure its position as an industry leader in the domestic and export markets for intermediate products and bulk medicine. In addition, in July 2021, the Group entered into a cooperation framework agreement on veterinary drugs with Zhejiang Apelo Biotechnology Co., Ltd., pursuant to which, the two parties will give full play to their respective strengths, striving to develop all-round competitiveness in technology, production and grabbing market share in the veterinary drug market.

The Group continued to devote itself to the research and development ("R&D") of drugs and pressed ahead with its product pipeline, which currently has 24 new products under development, including 11 Class 1 new drugs. During the Period, the Group's R&D expenses amounted to RMB203 million. For biological R&D, the Group focuses on the development of diabetes drugs, with projects covering insulin aspart injection, insulin degludec injection, liraglutide injection, insulin degludec-insulin aspart mixed injection, and insulin degludecliraglutide injection. In particular, the insulin aspart injection and insulin aspart 30 injection received the drug registration approval from National Medical Products Administration on 12 July 2021, and the first batch of insulin aspart products was successfully delivered on 21 July 2021. In addition, insulin aspart 50 injection was approved to conduct clinical trials and Semaglutide injection applied for clinical trials during the Period. Leveraging the continuously improved R&D platform, the Group will continue to expand its presence in the fields of internal secretion and autoimmune disease.

During the Period, the Group achieved solid progress in the Quality and Efficacy Consistency Evaluation of Generic Drugs ("Consistency Evaluation"). In January 2021, the Group obtained the Drug Registration Certificate for its oral hypoglycemic drug Glipizide Tablets (specification: 5mg) and Tenofovir Dipivoxil Fumarate Tablets (specification: 300mg) for the treatment of chronic hepatitis B and HIV-1 infection in adults, which are both regarded as passing the Consistency Evaluation. Following the amoxicillin capsule (specification: 0.25g) produced by Zhuhai United Laboratories Co., Ltd., a subsidiary of the Group, became the first amoxicillin capsule passed the Consistency Evaluation in China in 2018, the amoxicillin capsule (specification: 0.25g) produced by The United Laboratories Co., Ltd. also passed the Consistency Evaluation in April 2021. In addition, memantine hydrochloride (specification: 10mg), a drug to treat Alzheimer's disease also passed the Consistency Evaluation in May 2021. As of June 30, 2021, the Group had a total of six products that have passed the Consistency Evaluation, further enhancing its market competitiveness.

The Group steps up its efforts to reduce finance costs by adjusting the borrowings mix between onshore and offshore borrowings and continuously optimize its financial structure to improve its liquidity. During the Period, the Group's finance costs amounted to RMB32.4 million, representing a significant year-on-year decrease of 74.5%. As at 30 June 2021, the Group's net cash and bank balances were RMB3,526.2 million, and its financial position remained sound.

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Looking ahead, **Mr. Tsoi Hoi Shan, Chairman of the Group** concluded that, “In the future, the Group will continue to focus on the field of diabetes, proactively expand our market coverage, and strengthen brand promotion and professional services, continuously improve our comprehensive competitiveness, and enhance the Group’s market position in internal secretion and other specialized fields. In order to adapt to the constantly evolving pharmaceutical policies, innovation is the key for enterprises to maintain sustainable development. The Group will allocate more resources to the R&D of new drugs, set foot in more treatment fields, and develop innovative products with great potential to meet the needs in the domestic market. Moreover, it will consolidate and expand the scientific research team, enhance the comprehensive strengths in scientific research, proactively embrace the transformation driven by R&D innovation, and strive to maximize the value for our shareholders, clients and stakeholders.”

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Company Information

Listed on the Stock Exchange of Hong Kong in June 2007, 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. 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 component of the Hang Seng Composite Index Series.

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