



**The United Laboratories International Holdings Limited
Announces 2023 Interim Results**

**Profit attributable to shareholders of the Company surged 104% to RMB12.84 million
Declared an interim dividend of RMB12 cents per share**

Financial Highlights

(RMB million)	For the six months ended 30 June		
	2023	2022	Change
Revenue	6,906.5	5,181.9	+33.3%
Gross profit	3,213.3	2,254.0	+42.6%
EBITDA	1,953.8	1,141.0	+71.2%
Profit attributable to the owners of the Company	1,284.5	629.5	+104.0%
Basic earnings per share (RMB cents)	70.69	34.55	+104.6%
Interim dividend per share (RMB cents)	12.0	5.0	+140.0%

(30 August 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 its interim results for the six months ended 30 June 2023 (the “Period”).

During the Period, the Group recorded a revenue of RMB6,906.5 million, an increase of 33.3% year on year. Gross profit grew 42.6% to RMB3,213.3 million. Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to RMB1,953.8 million, a year-on-year increase of 71.2%. Profit attributable to owners of the Company was RMB1,284.5 million, a year-on-year increase of 104.0%. Earnings per share were RMB70.69 cents. The increase in profit is mainly attributable to the steady revenue growth of the Group’s each business segment during the Period. The sales of intermediate products and bulk medicines continued to increase. The recovery in demand, especially in overseas markets, led to a steady increase in the market prices of the related products. In addition, the sales of veterinary drugs increased significantly. The Board declared the payment of an interim dividend of RMB12.0 cents per share for the six months ended 30 June 2023.

During the Period, the intermediate products and bulk medicines segment recorded external sales of approximately RMB1,047.4 million and RMB3,423.0 million, respectively, a year-on-year increase of 41.4% and 34.1%, respectively. Overseas export sales amounted to RMB1,362.4 million, representing a year-on-year increase of 29.4% and accounting for 19.7% of total revenue of the Group. The recovery in demand, especially in overseas markets, led to a steady increase in the market prices of the related products. The Group continued to seize a leading position in the domestic and export markets for intermediate products and bulk medicines.

During the Period, the sales of finished products amounted to RMB2,436.1 million, a year-on-year increase of 29.1%. Among that, human insulin recorded sales revenue of RMB230.9 million; insulin analogues recorded total sales revenue of RMB267.1 million. The sales volume of insulin analogues maintained a rapid growth during the Period.

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In terms of other finished products, antibiotics products, including veterinary drugs, recorded sales revenue of RMB1,725.0 million, a year-on-year increase of 50.5%. Among that the piperacillin sodium and tazobactam sodium for injection recorded a sales revenue of RMB386.6 million, a year-on-year increase of 22.7%, and amoxicillin capsules recorded a sales revenue of RMB247.1 million, a year-on-year increase of 17.7%. During the Period, the Group's piperacillin sodium and tazobactam sodium for injection (specification: 4.5g) was selected in the eighth batch of national centralised procurement of drugs, and the sales volume is expected to reach a new level in the future.

The veterinary drugs recorded sales revenue of RMB534.3 million, a year-on-year increase of 158.6%. During the Period, the strategic cooperation between 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, and Muyuan Foods Co., Ltd. (牧原食品股份有限公司) was in good progress. The Group will continue to enhance its overall competitiveness in veterinary drugs, with an aim to build a leading brand in China's veterinary drug industry.

During the Period, the Group invested a total of RMB350.3 million in pharmaceutical research and development ("R&D"), with a year-on-year increase in R&D expenses of 44.4%. The Group has 34 new products for human use under development, of which 16 products are class-I new drugs. 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, high-end anti-infection and other fields.

During the Period, the Group made significant progress in pharmaceutical R&D. In March, the class -I new drug, TUL12101 eye drops, was approved for clinical trials. In April, the insulin degludec and liraglutide injection was approved for clinical trials and the semaglutide injection was approved for clinical trials for the indication of weight management. In June, the application for clinical trial registration of the Group's self-developed class-I innovative drug UBT251 injection was accepted for the indications of T2DM, weight management and non-alcoholic fatty liver/non-alcoholic steatohepatitis (NASH). In terms of the quality and efficacy consistency evaluation of generic drugs ("consistency evaluation"), the amoxicillin capsule (specification: 0.5g) declared by the Group was approved to pass the consistency evaluation, which is the third amoxicillin capsule variety of the Group to pass the consistency evaluation.

Regarding the financial aspect, the Group continuously optimised the financial structure to improve liquidity by adjusting the ratio of onshore and offshore borrowings and reducing the financial expenses. As at 30 June 2023, the Group's net bank balances and cash (after deducting borrowings and trade payables under supplier finance arrangement) amounted to RMB1,579.9 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, mitigate the risk of exchange rate fluctuation, enhance financial flexibility and efficiency in the usage of funds and maintain a sound financial position.

Looking ahead, **Mr. Tsoi Hoi Shan, Chairman of the Group** concluded that, "At present, China's economy has gradually recovered from the epidemic, the diagnosis of medical institutions has been back to normal, and the demand for drugs is steadily released. Against the backdrop of deepening the reform of medical and healthcare system, the Group will further consolidate its core advantages, strengthen the cost control of its industrial chain, keep promoting its brand strategy, and accelerate the process of market development and commercialisation. Meanwhile, we will constantly improve our R&D and innovation capability, efficiently speed up the process of new drug R&D and marketing, upgrade production facilities, and improve the overall industrialization capacity. In addition, we will actively explore external cooperation and take multiple measures to add impetus to the Group's long-term sustainable development. 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 wave of changes in the industry, so as to create more value for shareholders and the society."

Company Information

TUL is one of the leading comprehensive pharmaceutical companies in China, principally engaged in the R&D, manufacturing and selling of drugs. Adhering to the corporate mission of "Making Life More Valuable", TUL has extended its product mix from antibiotics since its establishment to the fields of biopharmaceuticals and animal healthcare, and continues to optimize its vertically integrated business model. Currently, the Group has six production bases covering pharmaceutical intermediate products, bulk medicines and finished products, with a global sales network. TUL 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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