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The Sale Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. No public offering of the Sale Shares will be made in the United States.



The United Laboratories International Holdings Limited

聯邦制藥國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3933)

PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR NEW SHARES

Placing Agent

Morgan Stanley

On 29 April 2010, the Vendor, the Company and the Placing Agent entered into the Placing and Subscription Agreement under which the Vendor agreed to sell, or procure the sale of, the Sale Shares and the Placing Agent agreed, as agent of the Vendor, to procure purchasers to purchase, the Sale Shares. The Placing is conditional on there not being any termination events, upon the occurrence of which the Placing will not proceed to completion unless otherwise waived by the Placing Agent. Under the same Placing and Subscription Agreement, the Vendor conditionally agreed to subscribe, and the Company conditionally agreed to allot and issue to the Vendor, the Subscription Shares at the Placing Price.

The net proceeds to be received by the Company from the Subscription will amount to approximately HK\$416 million. The Company intends to apply such net proceeds for expansion of the Company's existing production facilities and other capital expenditures.

The shareholding interest of the Vendor in the issued share capital of the Company will be reduced from approximately 71.25% to 64.40% immediately upon completion of the Placing and the Subscription.

Application will be made to the Listing Committee for the granting of the listing of, and permission to deal in, the Subscription Shares.

As the Placing and the Subscription are subject to the satisfaction of a number of conditions and may or may not proceed to completion, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.

PLACING AND SUBSCRIPTION AGREEMENT DATED 29 April 2010

Parties

- (i) the Vendor, a controlling shareholder of the Company;
- (ii) the Company; and
- (iii) the Placing Agent (as placing agent of the Placing).

The Placing

Number of Sale Shares

100,000,000 Shares, representing approximately 8.3% of the Company's existing issued share capital and 8.0% of its issued share capital as enlarged by the issue of the Subscription Shares to be issued by the Company at the Placing Price.

The placees

The Placing Agent confirmed that there are more than six independent placees (which will be professional, institutional and/or individual investors) in the Placing.

Placing Price

HK\$8.50 per Share, representing (i) a discount of approximately 7.71% to the closing price of HK\$9.21 per Share quoted on the Stock Exchange on 29 April 2010, being the date of the Placing and Subscription Agreement; and (ii) a discount of approximately 11.70% to the average closing price of HK\$9.63 per Share quoted on the Stock Exchange for the last five consecutive trading days up to and including 29 April 2010.

The Placing Price has been determined after arm's length negotiations between the parties. The Directors are of the opinion that the Placing Price is fair and reasonable and is in the best interest of the Company.

Rights

The Sale Shares will be sold free from all encumbrances, and together with the right to receive all dividends declared, made or paid on or after the Trade Date.

Independence of the Placing Agent and the placees

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent is not a connected person (as defined in the Listing Rules) of the Company or any of its subsidiaries.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the placees (and their ultimate beneficial owners) procured by the Placing Agent are not connected persons of the Company (as defined in the Listing Rules).

Completion of the Placing

It is expected that completion of the Placing will take place on 3 May 2010 (or such other date as the Vendor and the Placing Agent may agree in writing).

The Subscription

Subscription Shares

50,000,000 new Shares, representing approximately 4.2% of the Company's existing issued share capital, and 4.0% of its issued share capital as enlarged by the issue of the Subscription Shares to be issued by the Company at the Placing Price.

Ranking

The Subscription Shares, when fully paid, will rank equally with the existing issued shares of the Company.

Conditions of Subscription

The Subscription is conditional upon, among other things:

- (a) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Subscription Shares (and such listing and permission not being subsequently revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares); and
- (b) completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

Completion of the Subscription

Completion of the Subscription will take place at a time to be fixed between the parties and in any event no later than a date falling 14 days after the date of the Placing and Subscription Agreement (or such other time or date as the Vendor and the Company may agree in writing and subject to compliance with the Listing Rules).

In the event that the conditions are not fulfilled within 13 days after the date of the Placing and Subscription Agreement (or such later date as may be agreed between the parties and subject to compliance with the Listing Rules), then the obligations and liabilities of the Vendor and the Company under the Subscription shall be null and void and neither the Company nor the Vendor shall have any claim against the other for costs, damages, compensation or otherwise.

If completion of the Subscription takes place more than 14 days after the date of the Placing and Subscription Agreement, the Subscription would not fall within the exemption under Rule 14A.31(3)(d) of the Listing Rules and would be subject to the relevant requirements of the Listing Rules regarding connected transactions.

Lock-up

The Vendor undertakes to the Placing Agent that (except for the sale of the Sale Shares pursuant to the Placing and Subscription Agreement) for a period of three months from the Closing Date, the Vendor will not and will procure that none of the Vendor's nominees and companies controlled by it (other than any member of the Group) and trusts associated with it (whether individually or together and whether directly or indirectly) will (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the Subscription Shares) or any interests therein beneficially owned or held by the Vendor or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above, unless with the prior written consent of the Placing Agent.

The Company undertakes to the Placing Agent, and the Vendor undertakes to the Placing Agent to procure, that for a period of three months from the Closing Date, the Company will not, except for the Subscription Shares, (i) allot or issue or offer to allot or issue or grant any option (other than pursuant

to the share option scheme adopted by the Company on 25 May 2007), right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above without first having obtained the written consent of the Placing Agent.

Mandate to issue new Shares

The Subscription Shares will be issued under the general mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting held on 29 May 2009. Under such general mandate, the Company is allowed to allot and issue up to 240,000,000 Shares. As at the date of this Announcement, the Company has not issued any new Shares pursuant to such general mandate. Accordingly, the issue of the Subscription Shares is not subject to any approval by the Shareholders.

APPLICATION FOR LISTING FROM THE STOCK EXCHANGE

Application will be made to the Listing Committee for the granting of the listing of, and permission to deal in, the Subscription Shares.

EFFECT OF THE PLACING AND THE SUBSCRIPTION

The shareholding structure of the Company before and after the completion of the Placing and the Subscription is summarised as follows:

	At the date of this Announcement (Note 1)		Immediately after completion of the Placing but before the Subscription (Note 2)		Immediately after completion of the Placing and the Subscription (Note 2)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
The Vendor	855,000,000	71.25	755,000,000	62.92	805,000,000	64.40
Mr. Choy Kam Lok	10,000,000 ^(Note3)	0.83	10,000,000	0.83	10,000,000	0.80
Public Shareholders						
Placees	-	-	100,000,000	8.33	100,000,000	8.00
Other Shareholders	335,000,000	27.92	335,000,000	27.92	335,000,000	26.80
Sub-total	<u>335,000,000</u>	<u>27.92</u>	<u>445,000,000</u>	<u>36.25</u>	<u>445,000,000</u>	<u>34.80</u>
Total	<u>1,200,000,000</u>	<u>100.00</u>	<u>1,200,000,000</u>	<u>100.00</u>	<u>1,250,000,000</u>	<u>100.00</u>

Note:

- (1) The table assumes no Shares are issued pursuant to the share option scheme of the Company between the date of this Announcement and completion of the Placing and the Subscription (both days inclusive). As at the date of this Announcement, there were no outstanding options issued pursuant to the share option scheme of the Company.
- (2) This assumes that all the Sale Shares are placed and no placees will become a substantial Shareholder upon completion of the Placing.
- (3) Mr. Choy Kam Lok (**Mr. Choy**), the Chairman and an executive director of the Company, personally holds 10,000,000 Shares. Mr. Choy is the settlor of a discretionary trust that indirectly holds 100% of the Vendor. Mr. Choy is not a discretionary object of the discretionary trust.

REASONS FOR THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS

In view of current capital market conditions, the Directors consider that the Placing and the Subscription represent a good opportunity for the Company to raise funds. It will also increase the capital base of the Company and broaden its shareholder base. The Company intends to apply the proceeds from the issue of the Subscription Shares for expansion of the Company's existing production facilities and other capital expenditures.

The Directors believe the terms of the Placing and the Subscription, which have been negotiated on an arm's length basis in accordance with normal commercial terms, are fair and reasonable.

The Company has not raised any other funds by way of issues of equity securities in the 12 months immediately preceding the date of the Placing and Subscription Agreement.

DEFINITIONS

In this Announcement, unless the context otherwise requires, the following expressions shall have the meanings set out below:

"Closing Date"	3 May 2010
"Company"	The United Laboratories International Holdings Limited, a company incorporated in Cayman Islands with limited liability
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars
"Listing Committee"	the Listing Committee of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Morgan Stanley"	Morgan Stanley & Co. International plc., and, in so far as Morgan Stanley, in performing its functions under the Placing and Subscription Agreement, is "dealing in securities" as defined in Schedule 5 of the SFO, through its agent Morgan Stanley Asia Limited and only in circumstances such that none of the sub-provisions (I), (II), (III), (IV) and (V) in sub-paragraph (iv) to the definition of "dealing in securities" in Part 2 of Schedule 5 of the SFO are applicable
"Placing"	the placing of the Sale Shares by the Placing Agent pursuant to the Placing and Subscription Agreement
"Placing Agent"	Morgan Stanley
"Placing and Subscription Agreement"	the share placing and subscription agreement dated 29 April 2010 entered into between the Vendor, the Company and the Placing Agent in relation to the Placing and the Subscription
"Placing Price"	HK\$8.50 per Share
"Sale Shares"	100,000,000 Shares currently owned by the Vendor
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	share(s) of nominal value of HK\$0.01 each in the capital of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Vendor at the Placing Price pursuant to the Placing and Subscription Agreement
“Subscription Shares”	50,000,000 new Shares to be issued by the Company and subscribed by the Vendor at the Placing Price under the Placing and Subscription Agreement
“Trade Date”	29 April 2010
“trading day”	has the meaning ascribed to it in the Listing Rules
“Vendor”	Heren Far East Limited, a limited liability company incorporated in the British Virgin Islands and a controlling shareholder of the Company

By Order of the Board
The United Laboratories
International Holdings Limited
Leung Wing Hon
Company Secretary

Hong Kong, 30 April 2010

As at the date of this announcement, the Board comprises Mr. Choy Kam Lok (Chairman), Ms. Peng Wei and Mr. Leung Wing Hon and Mr. Tsoi Hoi Shan as executive directors; Ms. Choy Siu Chit as non-executive director; and Messrs. Huang Bao Guang, Song Ming and Chong Peng Oon as independent non-executive directors.