

[For immediate Release]



The United Laboratories International Holdings Limited
Announces 2007 Annual Results

***Benefited from growth in selling price of products, strong export business and increase in market share of finished products
Profit attributable to shareholders nearly tripled to HK\$510 million***

Financial highlights

	For the year ended 31 December		
	2007 (HK\$ million)	2006 (HK\$ million)	Change
Turnover	2,594.9	2,080.5	+24.7%
Gross profit	1,205.8	736.3	+63.8%
EBITDA	824.9	501.3	+64.6%
Profit attributable to shareholders	510.5	173.8	+193.6%
Earnings per share	48.0 HK cents	19.3 HK cents	+148.7%
Final dividend per share	17.0 HK cents	N/A	N/A

(10 April 2008 – Hong Kong) – The United Laboratories International Holdings Limited (“TUL” or the “Group”; Stock code: 3933), leading manufacturers of antibiotics in the PRC announced today its annual results for the year ended 31 December 2007.

During the year under review, the Group achieved impressive performance in its history. For the year ended 31 December 2007, the Group’s turnover amounted to approximately HK\$2,594.9 million, representing a 24.7% increase as compared to that of the previous year. Profit attributable to shareholders surged to approximately HK\$510.5 million, an increase of 193.6% over the same period last year. Earnings per share were 48.0 HK cents, an increase of 148.7% as compared to last year. The Board of Directors recommended the payment of a final dividend of 17.0 HK cents per share with payout ratio of 40.0%. With reference to closing price of HK\$2.88 as of 9 April 2008, the price/earning ratio was 6.8x based on the earning in the year of 2007, and dividend yield is 5.9%.

During the year, the Group recorded satisfactory results. The growth momentum remained strong mainly attributable to the increase in selling prices of bulk medicine and intermediate products, strong export business and further increase in sales of finished products through expansion of sales team. For the year ended 31 December 2007, the Group’s gross profit increased by approximately 63.8% to approximately HK\$1,205.8 million while its gross margin increased from 35.4% to 46.5%. Such an increase was mainly due to the decline in unit cost as a result of the surge in selling price of bulk medicine products and achievement of economies of scale of the Group’s production facilities. During the year, net profit margin also rose progressively to 19.7%.

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Commenting on the Group's satisfactory annual results, Mr. Choy Kam Lok, Chairman of TUL, said, "We are pleased to report that the Group's annual results announcement was encouraging. With the accelerated reform to the domestic medical system undertaken by the PRC government, the pharmaceutical market continues to grow on track with glorious prospects in China market, where products of the Group are principally based for development. With the progressive growth of China market, our management team is confident to achieve a brighter result in the next year."

TUL is a major antibiotic manufacturer in the PRC with a wide range of products including upstream and downstream products. On bulk medicine front, due to the rise in price fuelled by the shortage in the supply of 6-APA, 7-ACA and Amoxicillin in the market as a result of extended stipulations on environmental protection by the PRC government, the Group adjusted its products mix, optimized its capacity, increased the effectiveness of each production plant, maximized the economic of sales and enhance its profitability by fully leveraging on its edges of vertical integration, environment protection facilities and capitalizing on the favorable opportunities of the pricing for intermediate products and bulk medicine.

On finished product front, most of the three major antibiotics finished products manufactured by the Group including semi-synthetic penicillin type, cephalosporins type and β -lactamase inhibitor type reported stable sales during the year. Meanwhile, thanks to the measures favorable to the industry undertaken by the PRC government in the first half of the year, the Group seized the opportunities actively to increase the market share in cities of China and coverage of its marketing campaigns in rural areas for further expanding the overall market share of sales in China. Certain major finished products reported remarkable sales performance, among which the sales of Piperacillin Sodium and Tazobactam Sodium for Injection and Cephalosporins increased significantly by 41.5% and 145.3% respectively as compared to the corresponding period last year. In addition, many new products such as Adefovir Dipivoxil Capsules were well-received by the market after launching, which further contributed to the overall sales of finished products.

External sales of intermediate product, however, decreased as compared to the corresponding period last year. The decrease was mainly due to most of the intermediate products allocated for the Group's own use, with the aim to better control the production cost of bulk medicine and finished products, and enable stable supply of raw materials, in order to achieve economic effectiveness.

With years of development and efforts, TUL has established strong brand recognition for its high quality antibiotics products in the PRC market, catering to domestic demand. At present, TUL has established an extensive sales and marketing network in the PRC for its bulk medicine and finished products. As at 31 December 2007, TUL has established 25 sales offices, with a sales team of over 2,000 sales representatives, covering all of the provinces, autonomous regions and directly-administrated municipalities in the PRC except the Tibet Autonomous Region and Inner Mongolia Autonomous Region.

In addition, the Group has also explored actively in overseas markets during the year. The sales of foreign trade and export business for the year 2007 grew by about 36.1% compared to 2006, accounting for 23.4% of the total sales of the Group which represented a year-on-year growth of about 2 percentage points. The Group has obtained registration approvals for its products in over 15 countries and regions. During the year, TUL was granted a Certificate of Suitability ("COS") issued by the European Directorate for the Quality of Medicines ("EDQM") to acknowledge the bulk medicine of Amoxicillin, marking the success of the Group to explore in European markets and the sole manufacturer in China which was granted both the COS and GMP Certificate of the European Union. The accreditations also strengthened the competitiveness of the Group in international markets in the future.

Mr. Choy said, "Looking forward, the Group forecasts that the growth of the pharmaceutical market in 2008 will continue to be robust. Due to the continued growth of China economy and the increase in the total expenditure on public healthcare and average personal healthcare, together with the PRC government's focus on improvement of medical policies and environmental system, we believe that these will be beneficial to the Group's future development and offer new opportunities to the Group. The Group is currently undertaking the research and development of about 52 new medicines and generic drugs with different kinds of products and specifications. The research and development of the new products will help the development of the Group in China's urban markets. Following the Group's accreditation of COS to acknowledge the bulk medicine of Amoxicillin in October 2007, it is expected that the export of bulk medicine and intermediate products will continue to be robust and will grow at a stable pace in 2008. The Group will capitalize on its existing strengths and strive for better results on its existing solid foundation in order to bring fruitful returns for our shareholders."

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Company Background

Listed on the Stock Exchange of Hong Kong in June 2007. **TUL** is one of the major manufacturers of antibiotic products in China and principally engaged in the manufacturing and selling of bulk medicine and intermediate products used to produce antibiotics, and also antibiotics as finished goods. The Group also produces and sells, in smaller amounts, cough syrup, anti-allergy medicine as well as empty capsule casings. According to information published by Southern Medical Economic Research Center, the Group ranked amongst the top 20 chemical pharmaceutical industry enterprises in the PRC in 2006 in terms of revenue. As of 31 December 2007, the Group has a total of 150 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, including 31 types of bulk medicine and 119 finished products.

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