

[For Immediate Release]



**The United Laboratories International Holdings Limited
Announces 2015 Annual Results**

**Remarkable sales performance of recombinant human insulin injection products
Encouraging results of a new round tendering in supply contracts
Laying a solid foundation in the market**

(23 March 2016 – 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 today its annual results for the year ended 31 December 2015 (the “Year”).

During the Year, the Group’s turnover was approximately HK\$7,695 million (2014: HK\$8,030 million), EBITDA and profit before taxation were approximately HK\$1,406 million (2014: HK\$1,749) and HK\$235 million (2014: HK\$ 664) respectively. Profit attributable to owners of the Company was approximately HK\$110 million (2014: HK\$681 million Basic earnings per share were 6.78 HK cents (2014: 41.86 HK cents). The Board does not recommend payment of final dividend per share for the year ended 31 December 2015.

Mr. Tsoi Hoi Shan, Chairman of TUL, said, “The year 2015 witnessed a slowdown in the global economy, the global trade growth maintained at a low level since the financial crisis. Notwithstanding the complex international circumstances and the increasing downward pressure on the world’s economy, China continued to see its economy grow consistently. During the ‘13th Five-year Plan’ Period, the Chinese Government will press on with a strategy for ‘Building a Vigorous China’, which is aimed to provide its people with basic medical and health services as public welfare and set up a more sophisticated system for regulating public health, medical services, medical insurance, drug supply. Better regulatory system and operational mechanism will also be established for the medical institutions. All these measures should be able to sustain the long-term development of the pharmaceutical industry and improve its operating environment. This will help to drive growth in the Group’s business.”

During the Year, the 6-APA production at the Group’s plant in Inner Mongolia successfully passed the certification by the Food and Drug Administration of the United States.

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In the aspect of finished products, the Group actively coped with the changes in the new policies on tendering for supply contracts and the adjustments to the prices of pharmaceutical products. The Group continued to make smooth progress in promoting finished products and tendering for supply contracts. During the Year, the Group succeeded in tendering for supply contracts in more than 10 provinces. In which, the Group had 41, 50 and 39 product specifications winning the bid in Hunan province, Sichuan province and Hubei province respectively. The Group also won supply contracts for its recombinant human insulin in Anhui, Sichuan, Hubei and Fujian provinces in a new round of procurement in order to further increase the market penetration of its quality products and services in the grass-roots level medical institutions. Moreover, we continued to receive purchase orders for the products from the medium and large-sized hospitals, essential drug market, over-the-counter (“OTC”) market and rural market, with satisfactory sales performance in Shandong, Henan, Anhui, Guangdong and Jilin provinces. The sales revenue of recombinant human insulin products for the year increased over the last year. The product is expected to remain a major growth driver for the Group in the future with its profitability rising further.

During the Year, the Group continued to strongly promote antibiotics products. Notwithstanding China's tendering requirements and tightened control over antibiotics, the sales of Piperacillin Sodium and Tazobactam Sodium for Injection increased over the last year. While carbapenem-based high-end antibiotics preparations rendered remarkable performance, achieving a significant growth in sales revenue over the last year.

On the other hand, the Group actively promoted the Memantine Hydrochloride series, which is used for the treatment of Alzheimer's disease. This product is now available for sales in 19 provinces and cities nationwide and the Group won the tenders for contracts to supply the product in 11 provinces, including Shandong, Chongqing and Hubei. In addition, the Group continued to develop new specifications and dosage forms of the product series in order to further expand its market shares and gradually increase the product series' contribution to sales.

To capitalize on the emerging era of healthcare and concept of “Internet+”, TUL launched its official online flagship store on various e-commerce platforms such as tmall.com, JD.com and yhd.com so as to promote and market its corporate brand and quality products. “Yin Dan” Effervescent Tablets was the Group's first product to be launched online. The Group also plans to expand this online sales business model gradually in the future and further increase its market penetration.

The Group has been endeavoring in its pharmaceutical researches and Zhuhai United Laboratories Co., Ltd., a subsidiary company of the Group, has been awarded the title of “2015 Best Industrial Enterprise of China Pharmaceutical R&D Product Line”. It is also ranked 23rd in the list of the top 100 Pharmaceutical enterprises in China, well recognized by the government and peers.

For research and development on bio-pharmaceutical products, the Group now has its insulin glargine (third-generation insulin) production facilities inspected by the relevant authorities and obtained the application for production permit. Clinical trial of insulin aspart (third-generation insulin) was completed successfully and the Group is now preparing to apply for the approval for production of such products, which will enhance the Group's insulin product line. At the same time, the Group has various bio-pharmaceutical products in the pipeline of research and development, including insulin detemir, insulin degludec and liraglutide, which will be used in treatment for diabetes.

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For research and development on chemical-pharmaceutical products, the Group received the production approval and new-medicine certification from China Food and Drug Administration for its levetiracetam raw material and finished product in May 2015, which is classified under class 3.1 of State Class New Medicine and is used for the treatment for epilepsy. It is expected that the Group will become the fourth licensed manufacturer of the products in China. Doripenem for Injection (specification: 0.25g), under class 3.1 of State Class New Medicine, was developed by TUL and was granted the approval from China Food and Drug Administration for clinical trial in July 2015.

During the Year, overseas sales of the Group was HK\$2,415 million, accounting for 31.4% of the Group's total sales. TUL was awarded the title of "2014 Leading Exporter of Pharmaceutical Primary Raw Materials" by China Chamber of Commerce of Medicines & Health Products Importers & Exporters, and the titles of "2015 Top 100 Enterprisers in China's Pharmaceutical Industry" and "2015 Leading API Exporter's Brand of China's Pharmaceutical Industry" by China Pharmaceutical Industry Association. The Group has obtained EU-CEP certification, FDA certification, official certification from Mexico and GMP certification from Japan and Romania and certification from Russia and India.

For financial strategy, the Group dedicated to optimize the financial structure and lower the financial cost. During the Year, the Group minimized the financing cost through discounted note and lowered interest rate of central bank. Moreover, the Group targets to pass more financing lease in the future to ensure adequate working capital and to optimize the financial structure.

Looking forward, Mr. Tsoi concluded, "As the State Council issued 'The Opinions of the General Office of the State Council on Carrying out Assessment of the Consistency of Generic Drugs with Brand-name Drugs in Quality and Efficacy'. All generic drugs which had been approved for sales before the new registration of chemical pharmaceuticals for classification became effective but not yet approved on the same principles under the State Council's opinions about the assessment of generic drugs' consistency with brand-name drugs in quality and efficacy are required to undergo the consistency assessment. The Group believes that the consistency assessment of generic drugs will be implemented soon and that it will lead to the consolidation and upgrade of the pharmaceutical industry. In the future, the Group will actively keep up with the trend and continue to bring its cutting edge in research and development into play to develop products with high margin and demand. With the ongoing enrichment of its insulin product line, insulin product will continue to be the Group's key product of strategic importance. The Group will keep an eye on all favorable policies related to pharmaceuticals for critical diseases such as diabetes and invest more resources in the related field so that we can win the tenders in more provinces and expand its market presence there. In addition, the Group has also proactively expanded the sales of OTC products, Chinese patent medicines and health products in retail chain pharmacies, with the aim of further driving the growth in sales of finished products. With continuous efforts in enhancing our competitiveness, we are confident that we can seize the market opportunities, accelerate the cultivation of innovation ability and reinforce our scientific research ability by taking advantage of the great opportunity of industrial transformation and upgrading, and maintain the Group's sustainable growth momentum, hence creating the highest 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 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 31 December 2015, the Group has a total of 188 products qualified to produce in the PRC and/or Hong Kong based on the Drug Registration Approvals in the PRC and Certificates of Drug or Product Registration in Hong Kong. 84 were in production, and 41 were listed in Insurance Catalogue. 26 finished products are in the list of the Nation's Essential Drugs List. TUL is now one of the constituent stocks of The Hang Seng Composite Index Series.

For further enquiries, please contact:

iPR Ogilvy & Mather

Tina Law / Candy Tam / Charlie Lai

Tel: (852) 2136 6181 / 3920 7626 / 3920 7634

Fax: (852) 3170 6606

Email: tul@iprogilvy.com