

[For Immediate Release]



**The United Laboratories International Holdings Limited
Announces 2020 Annual Results**

**Profit attributable to shareholders up by 9.5% to RMB703 million
Insulin series beat sales targets**

Financial Highlights

(RMB mn)	For the year ended 31 December		
	2020	2019	Change
Revenue	8,772.5	8,392.6	+4.5%
Gross profit	3,806.2	3,621.3	+5.1%
Profit attributable to shareholders of the Company	703.0	641.8	+9.5%
Earnings per share (RMB cents)			
- Basic	39.81	39.14	+1.7%
- Diluted	39.81	39.14	+1.7%
Proposed final dividend per share (RMB cents)	8.0	7.0	+14.3%

(30 March 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 the PRC, announced today its annual results for the year ended 31 December 2020 (the “Year”).

In 2020, the Group’s revenue increased by 4.5% to approximately RMB8,772.5 million. Gross profit increased by 5.1% to RMB3,806.2 million. Profit attributable to shareholders of the Company increased by 9.5% to RMB703.0 million. Basic earnings per share amounted to RMB39.81 cents. The board of directors recommend a final dividend of RMB8.0 cents for the year ended 31 December 2020.

During the Year, revenue from the sales of the Group’s finished products was RMB3,722.1 million, up 5.8% year on year. Diabetes drugs continued to grow steadily. Insulin series recorded a sales revenue of RMB1,234.7 million during the Year, up 35.7% year on year, surpassing the annual sales targets. Among them, recombinant human insulin injections (“United Laboratories USLIN”) and insulin glargine injections (“United Laboratories USLEN”) recorded sales revenue of RMB832.5 million and RMB402.2 million, respectively, with sales volume increased by 22.0% and 81.3%, respectively as compared with last year. The Group conducted the “Double Excellence Action – Grassroots Diabetes Prevention and Treatment Management Training Course” online and offline, attracting more than 13,000 medical personnel. Since the launch of the “Double Excellence Action” project in 2019, the Group has organized nearly 40 sessions across the country, playing an important role in building a platform for academic exchanges in the industry, enhancing the academic research and clinical practice and facilitating the standardization of diabetes diagnosis and treatment at grassroots level.

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As to other finished products, due to the restrictions on diagnosis and treatment services in medical institutions during the COVID-19 epidemic, revenue from the sales of antibiotic products decreased slightly by 2.6% to RMB2,091.6 million during the Year. Revenue from the sales of neurological drugs increased by 34.3% year on year to RMB105.6 million. Ophthalmic products recorded sales revenue of RMB175.6 million, up 2.3% year on year. Revenue from the sales of vitamin products increased significantly by 58.1% year on year to RMB61.6 million.

For the business of intermediate products and bulk medicine, the Group recorded external sales of RMB1,429.7 million and RMB3,620.7 million, representing a year-on-year growth of 11.7% and 0.8%, respectively. During the Year, the Group achieved a steady growth in the export sales to overseas market, with revenue up 7.1% to RMB2,513.4 million, enabling the Group to remain a dominant position in both domestic and export markets of intermediate products and bulk medicine and to make a great contribution to maintaining the stable supply of bulk medicines in the international market during the epidemic.

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 26 new products under development. In terms of biological R&D, diabetes drugs have always been the Group’s strategic focus. The Group is currently developing a number of diabetes drugs, including insulin aspart injection, insulin degludec injection, liraglutide injection, insulin degludec-insulin aspart mixed injection and insulin degludec-liraglutide mixed injection. Leveraging its continuously improved biological R&D platform, the Group will continue to develop products in the fields of internal secretion and autoimmune disease. Besides, the monoclonal antibody laboratory was officially put into operation during the Year, marking a milestone in establishing the Group's development platform for biological macromolecular drugs. The Group pushed ahead with the R&D of a series of drugs for ophthalmology and dermatology to expand its presence in chemical pharmaceuticals. Meanwhile, the consistency evaluation of injections was carried out smoothly. The Group also made headway in the R&D of innovative drugs as its Class 1 new drug WXSH0150, which is for the treatment of moderate and severe active rheumatoid arthritis, was approved for clinical use during the Year. In the future, the Group will continue to expand into the R&D of new drugs.

During the Year, the Group continued to improve its financial position. In which, the convertible bonds with principal amount of USD121.0 million (equivalent to approximately RMB792.3 million have been fully converted into ordinary shares of the Company. The Group continued to cut financial expenses by adjusting the ratio of onshore and offshore debts and reducing borrowings, thus optimizing its financial structure and improving its liquidity. As at 31 December 2020, the Group’s net cash and bank balances (after deducting bank borrowings and bills payables) amounted to RMB20.3 million, reversing its net debt position as at 31 December 2019 to a net cash position.

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Looking ahead, **Mr. Tsoi Hoi Shan, Chairman of the Group** concluded that, “As the strengthening of national reform of the medical and health system, the pharmaceutical industry is heading toward a stage of high-quality development. In this increasingly concentrated industry, enterprises with core strategic products, diversified research pipelines and a strong sales force will stand out from the crowd. Going forward, the Group will continue to focus on the field of diabetes. In addition to expanding its coverage in the end user market, the Group will also strengthen its academic platform, enhance its comprehensive competitiveness, deepen the market penetration with its brand influence and professional services, thereby consolidating its leading position in diabetes drugs and other specialized fields. Entering the post-pandemic era, the Group will continue to adhere to sustainable development, comprehensively improve the environmental protection and overall management, and actively bear corporate responsibilities to society and the environment. All this is aimed at maintaining the Group’s growth momentum and maximizing 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 pharmaceutical companies in China, principally engaged in the R&D, manufacturing and selling of finished products, bulk medicines and intermediate products. Up to now, 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. The Group has 42 finished products listed in National Insurance Drug List and 15 are in the list of the National Essential Drug List. The Group is currently a component of the Hang Seng Composite Index Series.

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