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## **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)**

### **PROPOSED ISSUE OF CNY DENOMINATED USD SETTLED CONVERTIBLE BONDS DUE 2016**

**(WITH AN OPTION FOR THE ISSUE OF ADDITIONAL  
CNY DENOMINATED USD SETTLED  
CONVERTIBLE BONDS DUE 2016)**

**AND RESUMPTION OF TRADING**

**Lead Manager**



**The Hongkong and Shanghai Banking Corporation Limited**

#### **Proposed Issue of CNY Denominated USD Settled Convertible Bonds due 2016**

The Company is pleased to announce that after 1:30pm on 7 November 2011, the Company and the Lead Manager entered into a Subscription Agreement, under which the Lead Manager agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Firm Bonds to be issued by the Company in an aggregate principal amount of CNY790,000,000 on a fully-underwritten basis.

In addition, the Company has granted the Lead Manager an option (the “**Option**”) to subscribe for all or some of the Option Bonds up to an additional aggregate principal amount of CNY200,000,000, and the Option may be exercisable in whole or in part, on one or more occasions, solely at the discretion of the Lead Manager, at any time on or before the 30th day following the Closing Date.

Based on the initial Conversion Price of HK\$7.20 per share and assuming full issuance and full conversion of the Bonds at the initial Conversion Price, the Bonds will be convertible into 168,981,197 New Shares, representing:

- (i) approximately 12.98% of the issued ordinary share capital of the Company as at the date of this announcement; and
- (ii) approximately 11.49% of the issued ordinary share capital of the Company, as enlarged.

**The Bonds have not been offered or sold and may not be offered or sold in Hong Kong other than to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.**

**The Bonds and the New Shares have not been and will not be registered under the US Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds are being offered and sold outside the United States in reliance on Regulation S under the US Securities Act.**

The New Shares will be allotted and issued by the Company pursuant to the general mandate granted to the Directors by the Shareholders at the annual general meeting held on 31 May 2011. All the New Shares will rank *pari passu* and carry the same rights and privileges in all respects with the Shares then in issue on the relevant conversion date. The issue of the Bonds is not subject to the approval of the Shareholders.

The Bond Issue constitutes a disclosable transaction for the Company under Rule 14.06(2) of the Listing Rules, and is therefore subject to the reporting and announcement requirements.

Approval in-principle has been received for the listing of the Bonds on the SGX-ST. Listing of, and permission to deal in, the New Shares on the Hong Kong Stock Exchange will be sought.

**Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances. Please refer to the paragraph headed “THE SUBSCRIPTION AGREEMENT” below for further information.**

**WARNING: As the Subscription Agreement may or may not complete, the Bonds may or may not be issued and/or the New Shares may or may not be issued or listed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

### **Suspension and Resumption of Trading**

At the request of the Company, trading in the Shares was suspended on the Hong Kong Stock Exchange with effect from 1:30 p.m. (Hong Kong time) on Monday, 7 November 2011 pending the release of this announcement, and application will be made by the Company for the resumption of trading in the Shares on the Hong Kong Stock Exchange with effect from 9:30 a.m. (Hong Kong time) on Tuesday, 8 November 2011.

## **THE SUBSCRIPTION AGREEMENT**

**Date: 7 November 2011**

### **Parties:**

1. The Issuer
2. The Lead Manager

### **Subscription:**

Subject to the fulfilment of the conditions set out below in the section headed “Conditions Precedent”, the Lead Manager has agreed to subscribe and pay for or to procure subscribers to subscribe and pay for the Firm Bonds to be issued by the Company on the Closing Date in an aggregate principal amount of CNY790,000,000 on a fully-underwritten basis. In addition, the Company has granted the Lead Manager the Option to subscribe for all or some of the Option Bonds up to an additional aggregate principal amount of CNY200,000,000. The Option may be exercisable in whole or in part, on one or more occasions, solely at the discretion of the Lead Manager, at any time on or before the 30th day following the Closing Date.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Lead Manager is a third party independent of the Company and is not a connected person of the Company.

The Lead Manager has informed the Company that it has offered and sold the Firm Bonds to no less than six independent placees (who will be independent individual, corporate and/or institutional investors). To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of the placees (and the respective ultimate beneficial owners) is a third party independent of the Company and is not a connected person of the Company.

### **Stabilisation Activities:**

The Stabilising Manager may, to the extent permitted by applicable laws and directives, over-allot and effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail, but in doing so the Stabilising Manager shall act as principal and not as agent of the Company and any loss resulting from over-allotment or stabilisation shall be borne, and any profit arising therefrom shall be beneficially retained, by the Stabilising Manager. However, there is no obligation on the Stabilising Manager to do this.

## Conditions Precedent:

The obligations of the Lead Manager to subscribe, or procure subscribers to subscribe, and pay for the Bonds are conditional on the following conditions precedent:

1. **Due Diligence:** the Lead Manager being satisfied with the results of its due diligence investigations with respect to the Company and its subsidiaries in connection with the offering of the Bonds;
2. **Offering Circular:** the Final Offering Circular shall have been prepared in form and content satisfactory to the Lead Manager;
3. **Contracts:** the execution and delivery (on or before the Closing Date) of the Trust Deed and the Agency Agreement by the respective parties;
4. **Listing of the Bonds:** the SGX-ST having agreed to list the Bonds, subject only to the issue of the Bonds (or the Lead Manager being satisfied that such listing will be granted);
5. **Listing of the New Shares:** the Hong Kong Stock Exchange having agreed to list the New Shares upon conversion of the Bonds (or the Lead Manager being satisfied that such listing will be granted);
6. **Lock-up:** Heren Far East Ltd. and Mr. Choy Kam Lok shall have executed a lock-up agreement on the date of the Subscription Agreement in the form set out in the Subscription Agreement and such lock-up agreement shall be in full force and effect on the Closing Date;
7. **Auditors' Letters:** on the date of the Subscription Agreement, there having been delivered to the Lead Manager letters, in form and substance satisfactory to the Lead Manager, dated the date of the Subscription Agreement in the case of the first letter and dated the Closing Date and the Option Closing Date (if any) in the case of the subsequent letters, and addressed to the Lead Manager from Deloitte Touche Tohmatsu, auditors of the Company;
8. **Compliance:** at the Closing Date and the Option Closing Date (if any):
  - (a) the representations and warranties of the Company in the Subscription Agreement shall be true, accurate and correct at, and as if made on such date;
  - (b) the Company shall have performed all of its obligations under the Subscription Agreement expressed to be performed on or before such date; and
  - (c) there shall have been delivered to the Lead Manager a certificate of a duly authorised officer and the chief financial officer of the Company to such effect;
9. **Legal Opinions:** on or before the Closing Date and the Option Closing Date (if any), there having been delivered to the Lead Manager the following documents, in form and substance satisfactory to the Lead Manager, dated the Closing Date or the Option Closing Date, as the case may be, of:
  - (a) legal opinion of Kaiwen Law Firm, legal advisers to the Issuer as to the laws of the PRC;

- (b) legal opinion of Jingtian & Gongcheng, legal advisers to the Lead Manager as to the laws of the PRC;
  - (c) legal opinion of Linklaters, legal advisers to the Lead Manager as to English law;
  - (d) legal opinion of Conyers Dill & Pearman, legal advisers to the Issuer as to Cayman Island law; and
  - (e) legal opinion of Conyers Dill & Pearman, legal advisers to the Issuer as to British Virgin Islands law;
10. **Material Adverse Change:** up to and including the Closing Date there shall not have occurred any change or any development or event likely to involve a prospective change, in the condition (financial or other), prospects, results of operations, business, management, general affairs or properties of the Company or of the Company and its Subsidiaries, which, in the opinion of the Lead Manager, is material and adverse in the context of the offering of the Bonds; and
11. **Other Consents:** on or prior to the Closing Date there shall have been delivered to the Lead Manager copies of all consents, approvals, certificates or other documents required in relation to the issue of the Bonds and the performance of its obligations under the Contracts and the Bonds (including the consents and approvals required from all lenders).

The Lead Manager may, at its discretion and upon such terms as it thinks fit, waive compliance with the whole or any part of the conditions precedent, except for the conditions precedent relating to due diligence.

As at the date of this announcement, all the above conditions precedent to the completion of the Subscription Agreement are yet to be satisfied and/or (as the case may be) waived.

It is the intention of the Company to satisfy or procure the satisfaction of the above conditions precedent of the Subscription Agreement before the Closing Date or the Option Closing Date, as the case may be.

#### **Termination of the Subscription Agreement:**

Notwithstanding anything contained in the Subscription Agreement, the Lead Manager may, by notice to the Company given at any time prior to payment of the net subscription monies for the Firm Bonds or the Option Bonds (if any) to the Company, terminate the Subscription Agreement in any of the following circumstances:

1. if there shall have come to the notice of the Lead Manager any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform any of the Company's undertakings or agreements in the Subscription Agreement;
2. if any of the conditions precedent specified in the Subscription Agreement has not been satisfied or waived by the Lead Manager on or prior to the Closing Date, or the Option Closing Date, as the case may be;

3. if there shall have been in the Lead Manager's opinion, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions or currency exchange rates or foreign exchange controls such as which would in the Lead Manager's view, be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market; or
4. if, in the opinion of the Lead Manager, there shall have occurred any of the following events: (i) a suspension or a material limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange plc, the Hong Kong Stock Exchange, the SGX-ST and/or the Shanghai Stock Exchange and/or the Shenzhen Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (ii) a suspension or a material limitation in trading in the Company's securities on the Hong Kong Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (iii) a general moratorium on commercial banking activities in the United States, Hong Kong, the People's Republic of China and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, Hong Kong, the People's Republic of China or the United Kingdom; or (iv) change or development involving a prospective change in taxation affecting the Company, the Bonds or the transfer thereof; or
5. if, in the opinion of the Lead Manager, there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would in the Lead Manager's view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market.

**Lock-up:**

The Company has undertaken to the Lead Manager that neither the Company nor any person acting on its behalf will (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Lead Manager between the date of the Subscription Agreement and the date which is 90 days after the Closing Date (both dates inclusive); except for (i) the Bonds and the New Shares issued on conversion of the Bonds and (ii) any Shares or options granted pursuant to the Company's publicly disclosed share option scheme.

## **Shareholders' Lock-up:**

Each of Heren Far East Ltd and Mr. Choy Kam Lok has undertaken to the Lead Manager that, for a period commencing from the date of the Subscription Agreement to 90 days after the Closing Date or the Option Closing Date, without the prior written consent of the Lead Manager, it or he will not (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Lock-up Shares or securities of the same class as the Lock-up Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Lock-up Shares or securities of the same class as Lock-up Shares or other instruments representing interests in Lock-up Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of Lock-up Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Lock-up Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing save for any transfer of shares to be made pursuant to the stock borrowing and lending agreements (as set out below).

## **STOCK BORROWING AND LENDING AGREEMENTS**

Heren Far East Limited as lender, on 30 October 2011, entered into a stock borrowing and lending agreement with Choy Kam Lok & Ning Kwai Chun as borrowers, to effect the lending of up to 95,000,000 Shares in aggregate.

Choy Kam Lok & Ning Kwai Chun as lenders, on 31 October 2011, entered into a stock borrowing and lending agreement with HSBC Private Bank (Suisse) S.A. as borrower, as amended and supplemented by a side letter dated 7 November 2011, to effect the lending of up to 95,000,000 Shares in aggregate.

The maximum number of 95,000,000 Shares which are subject to the stock borrowing and lending agreements represent approximately 7.30% of the issued ordinary share capital of the Company as at the date of this announcement.

## **PRINCIPAL TERMS OF THE BONDS**

Issuer	The Company
Lead Manager	The Hongkong and Shanghai Banking Corporation Limited
Principal Amount of the Bonds	Up to CNY990,000,000 principal amount of its 7.50% convertible bonds due 2016, convertible into fully paid ordinary shares with a par value of HK\$0.01 each in the issued and paid up capital of the Company.
Principal Amount of the Firm Bonds	CNY790,000,000 principal amount of the Bonds.

Principal Amount of the Option Bonds	The Company has granted the Lead Manager the Option to subscribe for all or some of the Option Bonds up to an additional aggregate amount of CNY200,000,000, and the Option shall be exercisable in whole or part, on one or more occasions, solely at the discretion of the Lead Manager, at any time on or before the 30th day following the Closing Date.
Maturity Date	14 November 2016
Issue Price	100% of the principal amount
Issue Date	14 November 2011
Form and Denomination	The Bonds will be issued in registered form in the denomination of CNY100,000 each or integral multiples thereof.
Interest	The Bonds bear interest from (and including) the Issue Date at the rate of 7.50 per cent. per annum calculated by reference to the principal amount of the Bonds and payable (in US dollars) at the US Dollar equivalent semi-annually in arrear on 14 May and 14 November of each year, commencing on 14 May 2012.
Default Interest	If the Company fails to pay any sum in respect of the Bonds when the same becomes due and payable under the Terms and Conditions, interest shall accrue on the overdue sum at the rate of 1.00% per annum above the rate of interest from the due date.
Conversion	<p>Subject to certain conditions, each Bondholder has the right to convert his Bonds into New Shares at the Conversion Price at any time on or after 25 December 2011 up to the close of business on the seventh day prior to the Maturity Date or, if such Bonds shall have been called for redemption by the Company before the Maturity Date, then up to the close of business on a date no later than seven business days prior to the date fixed for redemption thereof, or if notice requiring redemption has been given by the holder of such Bond then up to the close of business on the day prior to the giving of such notice.</p> <p>The number of New Shares to be issued on conversion of a Bond will be determined by dividing the principal amount of the Bond to be converted (translated to Hong Kong Dollars at the fixed rate of CNY1.00 = HK\$1.2290) by the Conversion Price in effect at the relevant conversion date.</p>



Conversion Price	<p>The initial Conversion Price is HK\$7.20 per share which represents a premium of 20 per cent. over the closing price of the Shares at the end of the mid-day trading session on 7 November 2011 (being HK\$6.00). The initial Conversion Price is determined by the parties after arms' length negotiations with reference to the recent share price and future prospects of the Group.</p> <p>The Conversion Price is subject to adjustment for, amongst other things, consolidation, subdivision or reclassification, capitalization of profits or reserves, distribution, rights issues of Shares or options over Shares at less than 95 per cent. of the then current market price, rights issues of other securities, issues at less than 95% of the then current market price, other issues at less than 95% of the then current market price, modification of rights of conversion (where consideration per Share is less than 95% of the then current market price), other offers to Shareholders and other dilutive events. The Conversion Price is also subject to adjustment upon a Change of Control in the Company. The Conversion Price may not be reduced so that, on conversion of the Bonds, New Shares would fall to be issued at a discount to their nominal value or would require shares to be issued in any other circumstances not permitted by applicable law.</p>
Status	<p>The Bonds will constitute direct, unsubordinated, unconditional and (subject to the Negative Pledge) unsecured obligations of the Company and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves.</p> <p>The payment obligations of the Company under the Bonds shall, save for certain exceptions and subject to the Negative Pledge, at all times rank at least equally with all its other present and future direct, unsubordinated, unconditional and unsecured obligations.</p>
Ranking of New Shares	<p>The New Shares to be issued upon conversion of the Bonds will be fully paid and rank <i>pari passu</i> and carry the same rights and privileges in all respects with the Shares then in issue on the date the name of the holder of record of the number of Shares issuable upon conversion is registered as such in the register of members of the Company.</p>
Redemption at Maturity	<p>Unless previously redeemed, converted or purchased and cancelled as provided herein, the Company will redeem each Bond at the US Dollar Equivalent of its CNY principal amount together with unpaid accrued interest thereon on the Maturity Date.</p>

Redemption at the option  
of the Issuer

On giving not less than 30 nor more than 90 days' notice to the Bondholders and the Trustee (which notice will be irrevocable), the Company may at any time after 14 November 2013 but not less than 14 business days prior to the Maturity Date redeem all, but not some only, of the Bonds for the time being outstanding at the US Dollar Equivalent of their CNY principal amount, together with interest accrued to the date fixed for redemption, provided that the closing price of the Shares translated into CNY at the Prevailing Rate applicable to the relevant Trading Day, for 20 out of 30 consecutive Trading Days prior to the date upon which notice of such redemption is published was at least 140 per cent. of the Conversion Price then in effect, translated into CNY at the fixed rate of CNY1.00 = HK\$1.22895416.

On giving not less than 30 nor more than 60 days' notice to the Bondholders and the Trustee (which notice will be irrevocable), the Company may at any time redeem all, but not some only, of the Bonds for the time being outstanding at the US Dollar Equivalent of their CNY principal amount together with interest accrued to the date fixed for redemption provided that prior to the date of such notice at least 90 per cent. in principal amount of the Bonds originally issued has already been converted, redeemed or purchased and cancelled.

Redemption at the option  
of the Bondholders

The Company will, at the option of the holder of any Bond redeem all or some only of such holder's Bonds on 14 November 2013 at the US Dollar Equivalent of their CNY principal amount, together with interest accrued to the date fixed for redemption.

Redemption for  
Taxation Reasons

At any time the Company may, having given not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Bondholders redeem all, but not some, of the Bonds at the US Dollar Equivalent of their CNY principal amount together with interest accrued to the date fixed for redemption, if (i) the Company has or will become obliged to pay additional tax amounts as provided or referred to in Condition 9 of the Terms and Conditions as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of the Subscription Agreement, and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional amounts were a payment in respect of the Bonds then due.

Delisting Put Right	Each Bondholder will have the right to require the Company to redeem all (but not some only) of such Bondholder's Bonds at the US Dollar Equivalent of their CNY principal amount together with interest accrued to the date fixed for redemption, if the Shares cease to be listed or admitted to trading or suspended for trading for a period equal to or exceeding 21 consecutive Stock Exchange Business Days on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange (a " <b>Delisting</b> ").
Redemption for Change of Control	Each Bondholder shall have the right to require the Company to redeem all (but not some only) of such Bondholder's Bonds at the US Dollar Equivalent of their CNY principal amount together with interest accrued to the date fixed for redemption, upon the occurrence of a Change of Control in the Company.
Negative Pledge	So long as any of the Bonds remains outstanding, the Company undertakes that it will not, and will procure that none of its Subsidiaries will, create or permit to subsist or arise any Encumbrance upon the whole or any part of their respective present or future assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee of or indemnity in respect of any Relevant Indebtedness unless, at the same time or prior thereto, the Company's obligations under the Bonds are secured equally and rateably by the same Encumbrance or, at the option of the Company, by such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Bondholders or as shall be approved by an extraordinary resolution of the Bondholders.
Listing	Approval in-principle has been received for the listing of the Bonds on the SGX-ST. The Bonds will be traded on the SGX-ST in a minimum board lot size of USD200,000 (or its equivalent) for so long as the Bonds are listed on the SGX-ST.  Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the New Shares.
Clearing Systems	Euroclear and Clearstream, Luxembourg.

## EFFECT ON THE SHARE CAPITAL OF THE COMPANY AS A RESULT OF THE CONVERSION

Assuming full conversion of the Firm Bonds at the initial Conversion Price of HK\$7.20 per Share, the Firm Bonds will be convertible into approximately 134,843,581 Shares, representing approximately 10.36% of the issued share capital of the Company as at the date of this announcement and approximately 9.39% of the issued share capital of the Company as enlarged by the issue of the New Shares. Assuming full conversion of the Firm Bonds and the Option Bonds (assuming that the Option is exercised in full) at the initial Conversion Price of 7.20 per Share, the Bonds will be convertible into approximately 168,981,197 Shares, representing approximately 12.98% of the issued share capital of the Company as at the date of this announcement and approximately 11.49% of the issued share capital of the Company as enlarged by the issue of the New Shares. The New Shares to be issued upon conversion of the Bonds will rank *pari passu* and carry the same rights and privileges in all respects with the Shares then in issue on the relevant conversion date.

The following table summarises the potential effects on the shareholding structure of the Company as a result of the Bond Issue (assuming full conversion of the Bonds):

Shareholder	Existing (as at the date of this announcement)		Assuming the Firm Bonds are fully converted into New Shares at the initial Conversion Price of HK\$7.20 each		Assuming the Firm Bonds and the Option Bonds are fully converted into New Shares at the initial Conversion Price of HK\$7.20 each	
	No. of Shares	% of issued share capital of the Company	No. of Shares	% of issued share capital of the Company	No. of Shares	% of issued share capital of the Company
Heren Far East Ltd.	805,000,000	61.85%	805,000,000	56.05%	805,000,000	54.74%
Gesell Holdings Limited	805,000,000	61.85%	805,000,000	56.05%	805,000,000	54.74%
DBS Trustee H.K. (Jersey) Limited	805,000,000	61.85%	805,000,000	56.05%	805,000,000	54.74%
Tradewinds Global Investors LLC	65,114,000	5.00%	65,114,000	4.53%	65,114,000	4.43%
Public	431,386,000	33.15%	431,386,000	30.03%	431,386,000	29.34%
Bondholders	0	0%	134,843,581	9.39%	168,981,197	11.49%
<b>Total</b>	<b>1,301,500,000</b>	<b>100.00%</b>	<b>1,436,343,581</b>	<b>100.00%</b>	<b>1,470,481,197</b>	<b>100.00%</b>

### Notes:

- Gesell Holdings Limited is interested in the entire issued share capital of Heren Far East Ltd. and is deemed or taken to be interested in the 805,000,000 shares of the Company beneficially owned by Heren Far East Ltd. for the purpose of Part XV of the Securities and Futures Ordinance. DBS Trustee H.K. (Jersey) Limited is the trustee of The Choy Family Trust and is deemed to be interested in the 805,000,000 shares of the Company which The Choy Family Trust is interested through Heren Far East Ltd. and Gesell Holdings Limited for the purpose of Part XV of the Securities and Futures Ordinance. The Choy Family Trust is a discretionary trust and whose discretionary objects include the directors of the Company, Mr. Tsoi Hoi Shan and Ms. Choy Siu Chit, and certain other family members of Choy Kam Lok (but excluding Choy Kam Lok himself).
- The table assumes that no Shares will be issued from the date of this announcement to before the full conversion of the Bonds, and that the shareholding structure of the Company also remains the same during that period.

- (c) As at the date of this announcement, the Company has no outstanding Share Options.
- (d) As at the date of this announcement, the Directors have no holdings in Share Options to subscribe for any Shares.

The shareholding of the Directors set out in item (2) in the table above is based on the disclosure notice made pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) received by the Company.

## **USE OF PROCEEDS**

Assuming maximum number of Bonds are issued in full except for the Option Bonds, the gross proceeds from the Bond Issue will be CNY790,000,000 and the estimated net proceeds from the Bond Issue, after deduction of commission and expenses, amount to approximately CNY768,275,000.

Assuming maximum number of Bonds are issued in full including the Option Bonds, the gross proceeds from the Bond Issue will be CNY200,000,000 and the estimated net proceeds from the Bond Issue, after deduction of commission and expenses, amount to approximately CNY962,275,000.

The Company intends to use the net proceeds for the purpose of refinancing of existing indebtedness, capacity expansion, further business development and for general corporate purposes.

## **REASONS FOR THE BOND ISSUE**

The Directors are of the view that the issue of the Bonds can provide the Company with additional funds at lower funding cost for the refinancing of existing indebtedness, capacity expansion, further business development and general corporate purposes. The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Subscription Agreement are made on normal commercial terms and are fair and reasonable as far as the Shareholders are concerned, and the execution of Bond Issue is in the interests of the Company and the Shareholders as a whole.

## **GENERAL MANDATE FOR THE BOND ISSUE**

At the annual general meeting of the Company held on 31 May 2011, an ordinary resolution was passed to grant a general and unconditional mandate to the Directors to allot, issue and deal with additional Shares up to a limit of 20% of the aggregate nominal amount of the issued share capital of the Company as at 31 May 2011, which amounted to 260,300,000 Shares. The Directors have not exercised the power to allot and issue any new Shares pursuant to the general mandate granted. The New Shares will be issued under such general mandate. The issue of the Bonds is not subject to the approval of the Shareholders.

## **EQUITY FUND RAISING ACTIVITY BY THE COMPANY IN THE LAST 12 MONTHS**

The Company has not carried out any equity fund raising activities in the 12 month period immediately before the date of this announcement.

## APPLICATION FOR LISTING

Approval in-principle has been received for the listing of the Bonds on the SGX-ST. Listing of, and permission to deal in, the New Shares on the Hong Kong Stock Exchange will be sought.

**Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances. Please refer to the paragraph headed “THE SUBSCRIPTION AGREEMENT” above for further information.**

**WARNING: As the Subscription Agreement may or may not complete, the Bonds may or may not be issued and/or the New Shares may or may not be issued or listed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended on the Hong Kong Stock Exchange with effect from 1:30 p.m. (Hong Kong time) on Monday, 7 November 2011 pending the release of this announcement, and application will be made by the Company for the resumption of trading in the Shares on the Hong Kong Stock Exchange with effect from 9:30 a.m. (Hong Kong time) on Tuesday, 8 November 2011.

## DEFINITIONS

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

“Agency Agreement”	the paying, conversion and transfer agency agreement to be entered into between the Issuer, the Trustee and the agents named therein
“Alternative Stock Exchange”	at any time, in the case of the Shares, if they are not at that time listed and traded on the Hong Kong Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in
“Board”	the board of Directors
“Bondholder(s)”	holder(s) of the Bonds from time to time
“Bonds”	the Firm Bonds and the Option Bonds (if any)
“Bond Issue”	the subscription and issue of the Bonds pursuant to the Subscription Agreement
“business day”	a day other than a Saturday or Sunday on which banks are open for business in Hong Kong in which the specified office of the registrar (if a Bond certificate is deposited with it in connection with a transfer or conversion) or the agent with whom a Bond certificate is deposited in connection with a transfer, redemption or conversion, is located

“Change of Control”	occurs when: <ul style="list-style-type: none"> <li>(a) the Controlling Shareholder ceases to directly or indirectly control the Company; or</li> <li>(b) the Company consolidates with or merges into or sells or transfers all or substantially all of the Company’s assets to any other person or persons, acting together except where such person(s) is controlled by the Controlling Shareholder</li> </ul>
“Closing Date”	14 November 2011 or such other date as the Company and the Lead Manager may agree
“Company”	The United Laboratories International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the ordinary shares of which are listed on the Hong Kong Stock Exchange
“connected person”	has the meaning ascribed to that term in the Listing Rules and “connected persons” shall be construed accordingly
“control”	(i) the ownership or control of more than 35% of the voting rights of the issued share capital of a person or (ii) the right to nominate or designate the majority of the members of the Board or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise, or (iii) the possession, directly or indirectly, of the power to direct or cause the direct of the management policies of a person. For the avoidance of doubt, a person is deemed to control another person so long as it fulfils one of the three foregoing requirements.
“Controlling Shareholder”	(i) Choy Kam Lok; (ii) any heir, estate, lineal descendent (or spouse thereof), spouse or parent of Choy Kam Lok; and (iii) any trust, corporation, partnership or other entity, of which the direct or indirect beneficiaries, equity holders, partners, owners or persons are Choy Kam Lok and/or such other persons referred to in paragraph (ii) above of this definition
“Conversion Price”	the price per Share at which the Shares will be issued upon conversion. The initial Conversion Price will be determined after the Lead Manager has concluded its bookbuilding process (subject to adjustments)
“Director(s)”	the directors of the Company
“Encumbrance”	a mortgage, charge, pledge, lien or other encumbrance or security interest securing any obligation of any person

“Firm Bonds”	up to CNY790,000,000 principal amount of the Bonds to be issued by the Company
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong Dollars”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Lead Manager”	The Hongkong and Shanghai Banking Corporation Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Lock-up Shares”	(in respect of Mr. Choy Kam Lok) 853,002,000 shares representing 65.54 per cent. of the existing issued share capital of the Company held directly or indirectly and (in respect of Heren Far East Limited) 805,000,000 shares representing 61.85 per cent. of the existing issued share capital of the Company held directly or indirectly
“Maturity Date”	14 November 2016
“New Shares”	the Shares to be issued upon conversion of the Bonds
“Offering Circular”	the offering circular to be dated on or about 14 November 2011 for use in connection with the offering of the Bonds and the listing of the Bonds on the SGX-ST
“Option Bonds”	up to CNY200,000,000 principal amount of the Bonds which may be issued by the Company, subject to the exercise of the Option by the Lead Manager
“Option Closing Date”	a date to be specified by the Lead Manager upon exercise of the Option to subscribe for all or any of the Option Bonds, being a date which is at least two business days before the date on which the Option Bonds are to be issued by the Company against payment for the Option Bonds and no later than 15 business days after the date on which the Option shall have been exercised
“Regulation S”	Regulation S under the US Securities Act



“Relevant Indebtedness”	any future or present indebtedness in the form of or represented by debentures, loan stock, bonds, notes, bearer participation certificates, depository receipts, certificates of deposit or other similar securities or instruments or by bills of exchange drawn or accepted for the purpose of raising money which are, or are intended to be or are capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or any other securities market (whether or not initially distributed by way of private placement) having a maturity of more than one year
“SGX-ST”	the Singapore Exchange Securities Trading Limited
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Options”	share options granted under the share option scheme of the Company on 25 May 2007 entitling the holders of such options to subscribe for Shares
“Shareholders”	the holders of the Shares
“Stabilising Manager”	the Lead Manager or any person acting on its behalf
“Subscription Agreement”	the conditional subscription agreement entered into between the Company and the Lead Manager on 7 November 2011 in relation to the Bond Issue
“subsidiary”	in relation to any person, any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50% of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity or any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the law, regulations or generally accepted accounting principles from time to time of the Cayman Islands or Hong Kong, should have its accounts consolidated with those of that person
“Stock Exchange Business Day”	any day (other than a Saturday or a Sunday) on which the Hong Kong Stock Exchange or the Alternative Stock Exchange, as the case may be, is open for the business of dealing in securities
“Terms and Conditions”	Terms and Conditions of the Bonds

“Trading Days”	a day when the Hong Kong Stock Exchange or, as the case may be, an Alternative Stock Exchange is open for dealing business, provided that if no closing price for the Shares is reported in respect of the relevant Shares on the relevant primary stock exchange for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not have existed when ascertaining any period of dealing days
“Trustee”	The Hongkong and Shanghai Banking Corporation Limited
“Trust Deed”	the trust deed to be entered into between the Company and the Trustee
“US” or “United States”	the United States of America, its territories and possessions
“US Securities Act”	the US Securities Act of 1933, as amended
“USD”	US dollar(s), the lawful currency of the US
“%”	per cent.

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

Hong Kong, 7 November 2011

*As at the date of this announcement, the Board comprises Mr. Choy Kam Lok (Chairman), Ms. Peng Wei (Vice-Chairman and General Manager), Mr. Leung Wing Hon, Mr. Tsoi Hoi Shan, Ms. Zou Xian Hong, Ms. Zhu Su Yan and Mr. Fang Yu Ping as executive directors; Ms. Choy Siu Chit as non-executive director; and Mr. Chong Peng Oon, Mr. Huang Bao Guang and Mr. Song Ming as independent non-executive directors.*