



**ESSEX BIO-TECHNOLOGY LIMITED**  
**億勝生物科技有限公司**

**Press Release**

**SALE OF FLAGSHIP PHARMACEUTICAL PRODUCTS INCREASED 22.1%  
PROFIT DECREASED TO HK\$8.3 MILLION, IMPACTED BY LOSSES  
INCURRED FROM THE AGRICULTURE FERTILIZERS BUSINESS**

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Hong Kong, 12 November 2009 — ESSEX BIO-TECHNOLOGY LIMITED (“Essex” or the “Group”—Stock Code: 8151) today announced that the Group reported approximately HK\$83.4 million in turnover for the sale of pharmaceutical products for the nine months ended 30 September 2009, an increase of 22.1% over the corresponding previous period.

Overall gross profit for the nine months ended 30 September 2009 increased to approximately HK\$75.4 million when compared to approximately HK\$61.7 million recorded in same period of last year.

Distribution and selling expenses increased to approximately HK\$48.9 million for the nine months ended 30 September 2009 when compared to approximately HK\$38.6 million recorded in the same period of last year. The increase was mainly attributable to higher expenses incurred in sales, marketing and promotional activities and the establishment of three new DROs in the period under review.

Administration expenses increased to approximately HK\$10.9 million in the nine months ended 30 September 2009 when compared to approximately HK\$6.3 million recorded in the corresponding previous period. The increase is in tandem with the expanded operations to support the business expansion.

The agricultural business in Yantai turned into loss in the first half of 2009. The Group decided to divest its entire interests in it at end of June 2009. The divestment has since been completed and the agricultural business will not be consolidated to the Group thereon.

Profit attributable to equity holders of the Company dropped from approximately HK\$21.9 million for the nine months ended 30 September 2008 to approximately HK\$8.3 million for the period under review because it was negatively impacted by losses incurred from the agricultural business.

The Group had cash and cash equivalents of approximately HK\$64.6 million as at 30 September 2009 (31 December 2008: HK\$50 million).

The Group had no outstanding bank borrowings as at 30 September 2009.

The Group's subsidiary, Zhuhai Essex Bio-Pharmaceutical Co. Ltd ( "Essex Bio-Pharm" ) has been conferred with two Awards from Guangdong Pharmaceutical Profession Association. The two Awards are:

1. "2008 Top Five Manufacturing Enterprise in Bio-Technological and Bio-Chemistry Pharmaceutical Industries in Guangzhou" and
2. "2008 Top Sixty Enterprise in Pharmaceutical Industries in Guangdong".

The receipt of the two Awards is the result of the years of relentless investments made in research & development and market cultivation program, catapulting the Group to excel new heights.

***Essex Chairman Patrick Ngiam said, "Despite suffering losses from the agricultural fertilizers business the Group remains profitable, underpinned by the resilient and sustainable contributions from the pharmaceutical business in this first three quarters. The complete divestment of the agricultural fertilizers business was timely executed, which had unlocked resources for expanding the pharmaceutical business of the Group."***

In addition, during the period under review, Essex Medipharma (Zhuhai) Company Limited ( "Essex Medipharma" ) has signed another distribution agreement with an Indian company, Sun Pharmaceutical Industries Ltd., for the distribution of Latanoprost Ophthalmic Solution. Latanoprost Ophthalmic Solution is indicated for the treatment of Glaucoma, which has been approved from SFDA for sales in the PRC. The product is scheduled for commercial launch in the first quarter of 2010.

The Group has entered into two ophthalmic pharmaceutical collaboration agreements (the "Collaboration Agreements") with Jinan Bestcomm Pharmaceutical R&D Co., Ltd ("Jinan Bestcomm") in the third quarter of 2009.

Jinan Bestcomm is a high-tech enterprise specializing in the development of new medicine products and is the first enterprise of its kind to obtain ISO-9001 Quality Management System Certification.

Details of the Collaboration Agreements and the two ophthalmology pharmaceutical products covered under the agreement are:

1) Betaxolol Hydrochloride Eye Drop

The Group's subsidiary, Essex Medipharma has obtained an exclusive distribution rights for 10 years from Jinan Bestcomm to distribute Betaxolol Hydrochloride Eye Drop in China. Betaxolol Hydrochloride Eye Drop is an ophthalmology pharmaceutical product for the treatment of Glaucoma. It can lower intraocular pressure effectively to avoid optic nerve damaged and reducing the effect on heart and lung to minimal.

Betaxolol Hydrochloride Eye Drop is developed by Jinan Bestcomm and has been approved by SFDA for production and commercialisation. The product is scheduled for commercial launch in the fourth quarter of 2009.

## 2) Tosufloxacin Tosylate Eye Drop

Another subsidiary, Essex Bio-Pharma has entered into another collaboration agreement with Jinan Bestcomm for the cooperation in the research and development of another pharmaceutical product, an ophthalmic antibiotics product --Tosufloxacin Tosylate Eye Drop. Essex Bio-Pharm and Jinan Bestcomm will jointly perform the pre-clinical and clinical trials of Tosufloxacin Tosylate Eye Drop and shall enjoy the future benefits equally.

The main ingredient of Tosufloxacin Tosylate Eye Drop is the 4<sup>th</sup> generation of quinolone. The 4<sup>th</sup> generation of quinolone has shown strong antibacterial activity and broad antibacterial spectrum but with minor side effect. Among the quinolone based our eye drop antibiotics products, our product shall be the first to be considered medically suitable for use in children.

Pre-clinical trial of Tosufloxacin Tosylate Eye Drop was completed by Jinan Bestcomm in the first quarter of 2009 and is pending SFDA's approval to commence the clinical trial.

### ***About Essex Bio-Technology Limited:***

Essex Bio-Technology Limited ("Essex") was listed on the Growth Enterprise Market (GEM) of The Stock Exchange of Hong Kong Limited on 27 June 2001, under stock code (8151).

Essex specializes in biopharmaceutical drug development based on recombinant DNA technology. It is principally engaged in the manufacture and sale of biopharmaceutical products for the treatment and healing of surface wounds and eye wounds and the research and development of biopharmaceutical products for the treatment of duodenal ulcers and nervous system damages and diseases, as well as other ophthalmic pharmaceutical projects.

### ***For more information, please contact:***

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**Summary of key information:**

	<b>For the nine months ended 30 September</b>	
	<b>2009</b>	<b>2008</b>
	<b>HK\$'m</b>	<b>HK\$'m</b>
Turnover	83	68
Gross profit		
- in HK\$'m	75	62
- in %	90.5%	90.3%
Profit attributable to equity holders of the Company	8.3	21.9
Earnings per share – basic		
Continuing and discontinued operations	HK1.49	HK3.94
Continuing operations	cents	cents
	HK2.32	HK2.74
	cents	cents
Dividend	Nil	Nil
	<b>As at</b>	<b>As at</b>
	<b>30 September</b>	<b>30 September</b>
	<b>2009</b>	<b>2008</b>
	<b>HK\$'m</b>	<b>HK\$'m</b>
Cash and cash equivalents	65	47
Bank borrowings	Nil	35

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