



ESSEX BIO-TECHNOLOGY LIMITED

億勝生物科技有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8151)

Press Release

**Essex's subsidiary - Yantai Baoyuan
Appointed As An Authorized Manufacturer
For The Project of Formulated Fertilization Based On Soil Testing In
Shandong Province**

Hong Kong, 8 June 2006 — ESSEX BIO-TECHNOLOGY LIMITED (“Essex” or the “Group”; HK GEM Stock Code: 8151) announced that its subsidiary, Baoyuan Bio-Agri Technology (Yantai) Ltd. (“Yantai Baoyuan”) has been appointed by the Soil & Fertilizer General Station of Shandong Province as one of the authorized manufacturers in Shandong Province, responsible for the production and supply of the formulated fertilizers required by Shandong Soil & Fertilizer Network.

The campaign of formulated fertilization based on soil testing is one of the major projects organized by the Ministry of Agriculture this year. In order to promote this solution in the whole country, the Government has provided RMB 500 million to support the project, of which RMB 32 million was allocated to Shandong province. In addition, the Finance Department of Shandong Province has also contributed RMB 10 million for the promotion of the project in 59 counties of Shandong Province.

The objectives of the Project of Formulated Fertilization Based on Soil Testing in Shandong province are : to provide free technical services of formulated fertilization based on soil testing to approximately 5 million farmers; analyzing 150,000 samples of soils and plants; to provide training to 250,000 farmers; covering 16,667 million square metres of the farmland, from which half of the farmland will adopt the existing fertilizers and the remaining farmland will adopt 600,000 tons of formulated fertilizers in 2006. The adoption of formulated fertilizers can increase the fertilizer utilization rate by 3 to 5%. Hence, net income will increase approximately RMB 37.5 per 1000 square metre, and the total net income will increase approximately RMB650 million for a year.

The supply of 600,000 tons of formulated fertilizers for the Project of Formulated Fertilization Based on Soil Testing in Shandong Province will be organized and delivered by Shandong Wanglian Fertilizer Technology Co., Ltd. 16 companies have been appointed by the Soil & Fertilizer General Station of Shandong Province for the production of formulated fertilizers. Yantai Baoyuan is one of the authorized manufacturers, which has signed an agreement with Shandong Wanglian Fertilizer Technology Co., Ltd.

Shandong Wanglian Fertilizer Technology Co., Ltd is a limited liability company which was established by Soil & Fertilizer General Station of Shandong Province in April of 2004 as the administrative office of Shandong Soil & Fertilizer Network. It is mainly engaged in providing fertilizer information consultancy, technical advice and distribution of agricultural fertilizers. In September 2004, it was certified by the Ministry of Agriculture as one of the 80 key enterprises for chain operation by agricultural capitals in China.

Shandong Soil & Fertilizer Network was established by Soil & Fertilizer General Station of Shandong Province which coordinate the Soil & Fertilizer Stations of every county, city and region in the PRC. It is a comprehensive service network included soil and fertilizer information exchange, technical advice, product sales and marketing. It is composed of six sections: soil and fertilizer technology promotion system, allied fertilizer manufacturers, chain operation sites, products allocation center, agricultural chemical products exhibition center and an internet website. It is composed of headquarter, branches and workstations. The headquarter is Soil & Fertilizer General Station of Shandong Province, the branches are located in different soil & fertilizer stations and the workstations in 17 cities and counties. Each soil & fertilizer station and workshop has its own advisory team of experts. Shandong Soil & Fertilizer network has commenced its operations since April of 2004, and 645 sales points have been set up in 84 counties under 17 regions and cities.

Mr. Liu Bao De, General Manager of Yantai Baoyuan said, "Formulated fertilization based on soil testing is an advanced fertilization technology. It can increase the yield of crops, improve product quality, reduce pollution, and increase farmers' income. Yantai Baoyuan is glad to be appointed as one of the authorized fertilizer manufacturers for the Project of Formulated Fertilization Based on Soil Testing. The appointment is a testament of our production technology, quality control system and supply ability. We strongly believe that the project will have a positive influence on the sale and marketing of our products in Shandong province."

Dr Ngiam, the chairman of Essex said, "We are indeed very pleased that Yantai Baoyuan has been chosen for the project. The appointment shall serve as a catapult to the growth of Yantai Baoyuan. The Group will work closely with and support the management of Yantai Baoyuan to plan for its expansion when necessary."

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 was 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.

In November 2005, Essex has expanded into another bio-technology related industry to further strengthen on the Group's core business. The Group has strategically acquired a 51% equity stake in 煙台開發區寶源生物實業有限公司 (Baoyuan Bio-Agri Technology (Yantai) Ltd.) ("Yantai Baoyuan"). Yantai Baoyuan was incorporated in Shandong, the PRC on 5 January 2004 and commenced its business in June 2004. It is principally engaged in the research, development and production of organic and chemical formulated agricultural fertilisers, in solid and liquid forms, for the agriculture industry in the PRC.

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