



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

**Press Release**

**A Sterling Group Turnover of HK\$82.8 million,  
An Increase of 68.3%**

**Net Profit of HK\$4.6 million Recorded**

Hong Kong, 19 March 2007 — ESSEX BIO-TECHNOLOGY LIMITED (“Essex” or the “Group” — Stock Code: 8151) today announced that the Group reported approximately HK\$82.8 million in turnover for the year ended 31 December 2006, an increase of 68.3% over last year.

Sales of flagship biopharmaceutical products increased by 6.7% to approximately HK\$49.2 million as compared to approximately HK\$46.1 million of last year. Sales of organic and chemical formulated agricultural fertilizers generated from the newly invested subsidiary, Yantai Baoyuan, amounted to approximately HK\$33.6 million for the year under review.

The increase in turnover has resulted in overall gross profit of HK\$48.7 million for year ended 31 December 2006 as compared to approximately HK\$41.7 million in last year.

Distribution and selling expenses increased to approximately HK\$32.7 million for year ended 31 December 2006 when compared to approximately HK\$27.7 million recorded in last year. The increase was mainly attributable to higher expenses incurred in sales, marketing and promotional activities that were associated with the higher sales volume of the Group in the year under review.

Administration expenses increased to approximately HK\$12.9 million in the year ended 31 December 2006 when compared to approximately HK\$9.5 million recorded in last year. The increase was mainly attributed to such expenses incurred in the newly acquired subsidiary in Yantai.

As at 31 December 2006, the Group had cash and cash equivalents of approximately HK\$23.1 million.

Essex Chairman Patrick Ngiam said: “The significant achievement in FY 2006 is a testament to the positive development direction taken by the Group in recent years.”

Operationally, the Group has laid firmer foundation to enable future growth and enhance profitability. Significant implementations and achievements in the year under review are summarised as follows:

1. 5 new direct representative offices (“DROs”) were established, bringing a total of 14 DROs for its biopharmaceutical products;
2. biopharmaceutical flagship product, Beifushu, has penetrated into new clinical application, post-Lasik treatment;
3. commercialisation of a new product, a gel formulation of Beifuji and Beifushu, started;
4. Baoyuan Bio-Agri Technology (Yantai) Ltd. (“Yantai Baoyuan”) has expanded its manufacturing capacity from 50,000 tonnes to 150,000 tonnes per year;
5. the quality control system of Yantai Baoyuan had been awarded with ISO9001 and satisfied for A-grade Green Food production requirements;
6. Yantai Baoyuan had been validated by the scientific and technological achievements of Shandong province, for attaining leading and advanced standards in its technology and products development;
7. Yantai Baoyuan was also appointed as an authorised supplier of the formulated fertilisers in Shandong province.

“The management is optimistic of experiencing continued growth in FY 2007.” added Patrick Ngiam

***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.

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

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**Summary of key information:**

	For the year ended 31 December	
	2006	2005
	HK\$'m	HK\$'m
Turnover	82.8	49.2
Gross profit		
- in HK\$'m	48.7	41.7
- in %	58.8%	84.7%
Net Profit attributable to equity shareholders of the Company	4.6	15.4
Earnings per share		
- basic	HK0.82cents	HK2.78cents
- diluted	HK0.82cents	HK2.77cents
Dividend	Nil	Nil
Cash and cash equivalents	23.1	30.5
Bank borrowings	5	Nil

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