



**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 Reports Turnover of HK\$17.9 million, An Increase of 134.5%**

### **Net Profit of HK\$1.5 million Recorded**

Hong Kong, 12 May 2006 — ESSEX BIO-TECHNOLOGY LIMITED (“Essex” or the “Group”; HK GEM Stock Code: 8151) today announced that the Group reported approximately HK\$17.9 million in turnover for the period ended 31 March 2006, an increase of 134.5% over the corresponding period of last year. Sales of flagship pharmaceutical products increased by 11.9% to approximately HK\$8.5 million as compared to approximately HK\$7.6 million in the same period of last year. Sales of agricultural fertilizers generated from the newly acquired subsidiary, Yantai Baoyuan, amounted to approximately HK\$9.4 million in the first quarter of 2006.

The 134.5% increase in turnover has resulted in overall gross profit for period ended 31 March 2006 increased to approximately HK\$9.7 million as compared to approximately HK\$6.6 million in the corresponding previous period.

Distribution and selling expenses increased to approximately HK\$5.5 million for period ended 31 March 2006 when compared to approximately HK\$4.3 million recorded in the same period of last year. The increase was mainly attributable to the increase in marketing and promotional activities and sales commission payable that were associated with the higher sales volume of the Group’s genetic and agricultural fertilizers products in the period under review.

Administration expenses increased to approximately HK\$2.5 million in the period ended 31 March 2006 when compared to approximately HK\$2.1 million recorded in the corresponding previous period. The increase was the result of cost incurred by the newly acquired subsidiary in Yantai.

The Group had cash on hand to approximately HK\$26.2 million as at 31 March 2006 (2005: HK\$36 million) from which HK\$8.5 million was pledged to a bank in Hong Kong to secure a loan facility of RMB8.5 million from a bank in the PRC. Bank loan as at 31 March 2006 was RMB4.5 million (equivalent to approximately HK\$4.3 million) (2005: Nil).

Essex Chairman Patrick Ngiam said: “Performances of our core businesses, the pharmaceuticals and agricultural fertilizers, are in-line with the management targets”.

“Further, the management will stay focused on executing its plan for the remaining months of the year and is optimistic of continuing growth”.

***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 period ended 31 March	
	2006	2005
	HK\$'m	HK\$'m
Turnover	17.9	7.6
Gross profit		
- in HK\$'m	9.7	6.6
- in %	54.1%	86%
Net Profit attributable to equity shareholders of the company	1.5	9.4
Earnings per share		
- basic	HK0.26cent	HK1.70cents
- diluted	HK0.26cent	HK1.61cents
Dividend	Nil	Nil
Cash and bank balances	26.2	36
Bank borrowings	4.3	Nil

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