



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

Press Release

**ESSEX Reports Group Turnover of HK\$54.9 million,
An Increase of 69.7%**

Net Profit of HK\$4.7 million Recorded

Hong Kong, 13 November 2006 — ESSEX BIO-TECHNOLOGY LIMITED (“Essex” or the “Group” — Stock Code: 8151) today announced that the Group reported approximately HK\$54.9 million in turnover for the nine months ended 30 September 2006, an increase of 69.7% over the corresponding period of last year.

Sales of flagship pharmaceutical products increased by 3.3% to approximately HK\$33.4 million as compared to approximately HK\$32.4 million in the same period of last year. Sales of organic and chemical formulated agricultural fertilizers generated from the newly invested subsidiary, Yantai Baoyuan, amounted to approximately HK\$21.5 million in the first three quarters of 2006.

The 69.7% increase in turnover has resulted in overall gross profit for period ended 30 September 2006 increased to approximately HK\$34 million as compared to approximately HK\$28.6 million in the corresponding previous period.

Distribution and selling expenses increased to approximately HK\$20.9 million for period ended 30 September 2006 when compared to approximately HK\$17.8 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 associated with the higher sales volume of the Group’s organic and chemical formulated agricultural fertilizers in the period under review.

Administration expenses increased to approximately HK\$8.8 million in the period ended 30 September 2006 when compared to approximately HK\$6.7 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\$25.2 million as at 30 September 2006 from which HK\$8.5 million was pledged for a loan facility of RMB8.5 million. Bank loan of RMB4.5 million (equivalent to approximately HK\$4.3 million) was fully repaid in the third quarter of 2006. There were no bank borrowings as at 30 September 2006 (2005: Nil).

Essex Chairman Dr. Patrick Ngiam said: “The positive results reflected sound foundation of the biopharmaceutical business and progressive development on the newly invested business of agricultural fertilizers. The management is optimistic of continued positive results for the remaining months of 2006.”

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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Summary of key information:

	For the nine months ended 30 September	
	2006	2005
	HK\$'m	HK\$'m
Turnover	54.9	32.4
Gross profit		
- in HK\$'m	34	28.6
- in %	62%	88.4%
Net Profit attributable to equity holders of the parent	4.7	13.6
Earnings per share		
- basic	HK0.85cent	HK2.45cents
- diluted	HK0.85cent	HK2.45cents
Dividend	Nil	Nil
Cash and bank balances	25.2	35.7
Bank borrowings	Nil	Nil

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