



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

Press Release

A STERLING INCREASE OF 84.4% IN TURNOVER TO HK\$152.7 MILLION
NET PROFIT BOOSTED TO HK\$10.6 MILLION

Hong Kong, 26 March 2008 — ESSEX BIO-TECHNOLOGY LIMITED (“Essex” or the “Group” — Stock Code: 8151) today announced that the Group reported approximately HK\$152.7 million in turnover for the year ended 31 December 2007, an increase of 84.4% over the corresponding previous year.

The increase is attributed to the strong growth in both the core businesses. Sales of flagship biopharmaceutical products increased significantly by 39% to approximately HK\$68.3 million as compared to approximately HK\$49.2 million of the last financial year. In addition, an increase of 150.8% of the sales of agricultural fertilizers to approximately HK\$84.3 million in 2007 as compared to approximately HK\$33.6 million in the corresponding previous year.

Overall gross profit for the year ended 31 December 2007 increased to approximately HK\$69.8 million when compared to approximately HK\$48.7 million recorded in last year. The increase is attributable to the significant increase in sales of the Group’s flagship pharmaceutical products as well as the high gross profit margins of about 89.7% maintained by the flagship pharmaceutical products in the year under review.

The Group recorded a profit of approximately HK\$10.6 million for the year ended 31 December 2007.

Distribution and selling expenses increased to approximately HK\$47.3 million for year ended 31 December 2007 when compared to approximately HK\$32.7 million recorded in last year. The increase was mainly attributable to higher expenses incurred in sales, marketing and promotional activities in the year under review.

Administrative expenses increased to approximately HK\$14.5 million in the year ended 31 December 2007 when compared to approximately HK\$12.9 million recorded in the corresponding previous year. The increase was in tandem with the expanded operations to support the business expansion.

The Group had cash and cash equivalents of approximately HK\$38.4 million as at 31 December 2007 (2006: HK\$23.1 million).

As at 31 December 2007, short-term secured bank loans and other unsecured loan amounted to approximately HK\$22.5 million and HK\$6.4 million respectively. The short-term secured bank loans are secured by a charge over the Group's land and properties.

The Group pledged cash amounting to HK\$5.7 million to a bank in China to secure a loan facility of HK\$5.3 million for use as working capital on the fertilizer business.

Essex Chairman Patrick Ngiam said: "The sterling results achieved at the back of the strong growth from both the core businesses is a testament to the relevancy of the Group's technologies and products.

We shall capitalize on the growth momentum on both the biopharmaceutical products and organic and chemical formulated agricultural fertilizers for wider market coverage and penetration".

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 year ended 31 December	
	2007	2006
	HK\$'m	HK\$'m
Turnover	153	83
Gross profit		
- in HK\$'m	70	49
- in %	45.7%	58.8%
Net profit attributable to equity holders of the Company	10.6	4.6
Earnings per share		
- basic	HK1.89cents	HK0.82cent
Dividend	Nil	Nil
Cash and cash equivalents	38	23
Pledged deposits	6	9
Bank and other borrowings	29	5

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