



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

Press Release

A STERLING INCREASE OF 90.3% IN TURNOVER TO HK\$104.5 MILLION

NET PROFIT BOOSTED TO HK\$9.9 MILLION

Hong Kong, 13 November 2007 — ESSEX BIO-TECHNOLOGY LIMITED (“Essex” or the “Group” — Stock Code: 8151) today announced that the Group reported approximately HK\$104.5 million in turnover for the nine months ended 30 September 2007, an increase of 90.3% over the corresponding previous period.

Sales of flagship biopharmaceutical products increased significantly by 47.4% to approximately HK\$49.2 million as compared to approximately HK\$33.4 million of the same period in the last financial year.

Overall gross profit for the period ended 30 September 2007 increased to approximately HK\$48 million when compared to approximately HK\$34 million recorded in the same period of the last financial year. The increase is attributable to the significant increase in sales of the Group’s flagship pharmaceutical products, which continue to maintain at average gross profit margins of about 87%, and agricultural fertilizers.

Distribution and selling expenses increased to approximately HK\$30.8 million for period ended 30 September 2007 when compared to approximately HK\$20.9 million recorded in the same period of the last financial year. The increase was mainly attributable to higher expenses incurred in sales, marketing and promotional activities in the period under review.

Administration expenses increased to approximately HK\$9.5 million in the period ended 30 September 2007 when compared to approximately HK\$8.8 million recorded in the corresponding previous period. The increase is in tandem with the expanded operations to support the business expansion.

The Group had cash and cash equivalents of approximately HK\$31.2 million as at 30 September 2007 (2006: HK\$16.7 million).

The Group had pledged deposits of approximately HK\$4.2 million as at 30 September 2007 (2006: HK\$8.5 million).

As at 30 September 2007, short-term secured bank loans amounted to approximately HK\$8.3 million (2006: Nil) are secured by a charge over the Group's leasehold land and buildings. Other unsecured borrowings amounted to approximately HK\$6.2 million (2006: HK\$2.7 million).

Essex Chairman Patrick Ngiam said: "The remarkable growth in turnover and net profit are the testament that the Group's products are of market relevance and overall business is competitively managed.

We are optimistic of continued positive results in the last quarter of 2007."

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	
	2007	2006
	HK\$'m	HK\$'m
Turnover	104.5	54.9
Gross profit		
- in HK\$'m	48	34
- in %	45.9%	62%
Net profit attributable to equity shareholders of the Company	9.9	4.7
Earnings per share		
- basic	HK1.8cents	HK0.85cent
- diluted	N/A	HK0.85cent
Dividend	Nil	Nil
Cash and cash equivalents	31.2	16.7
Pledged deposits	4.2	8.5
Bank and other borrowings	14.5	2.7

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