



ESSEX BIO-TECHNOLOGY LIMITED

億勝生物科技有限公司

Press Release

**A STERLING INCREASE OF 139% IN TURNOVER TO HK\$48.7 MILLION
FOR THE FIRST QUARTER**

NET PROFIT AFTER-TAX of HK\$5.9 MILLION

Hong Kong, 13 May 2008 — ESSEX BIO-TECHNOLOGY LIMITED (“Essex” or the “Group” — Stock Code: 8151) today announced that the Group reported approximately HK\$48.7 million in turnover for the period ended 31 March 2008, an increase of 139% over the corresponding previous year.

Sales of flagship pharmaceutical products increased by 40.8% to approximately HK\$17.3 million as compared to approximately HK\$12.3 million in the same period of last year. Sales of agricultural fertilizers increased by a sterling 287.7% to approximately HK\$31.5 million in the first quarter of 2008 as compared to approximately HK\$8.1 million in the corresponding previous quarter.

Overall gross profit for the period ended 31 March 2008 increased to approximately HK\$21 million when compared to approximately HK\$11.7 million recorded in same period of last year. The increase is in tandem with the significant increase in sales of both the businesses of biopharmaceuticals and the agricultural fertilizers.

The Group registered a profit attributable to equity holders of the Company of approximately HK\$5.9 million for the period ended 31 March 2008.

Distribution and selling expenses increased to approximately HK\$11.2 million for period ended 31 March 2008 when compared to approximately HK\$7.1 million recorded in the same period of last 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\$3.1 million in the period ended 31 March 2008 when compared to approximately HK\$2.9 million recorded in the corresponding previous period. The increase was in tandem with the expanded operations to support the business expansion.

The Group had cash and cash equivalents of approximately HK\$41.4 million as at 31 March 2008 (31 December 2007: HK\$38.4 million).

As at 31 March 2008, short-term secured bank loans amounted to approximately HK\$28.3 million are secured by a charge over the Group's land, properties and inventories.

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.

Essex Chairman Patrick Ngiam said: "The strong results achieved are yet another testament to the Group's overall relevancy in the competitive market place.

At the back drop of strong sales momentum, the Group continued its market expansion through its established distribution network for both the biopharmaceutical products and organic and chemical formulated agricultural fertilizers business, as well as looking at ways to penetrate into new markets for sustaining 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.

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Summary of key information:

	For the three months ended 31 March	
	2008	2007
	HK\$'m	HK\$'m
Turnover	48.7	20.4
Gross profit		
- in HK\$'m	21	11.7
- in %	43.1%	57.5%
Net profit attributable to equity holders of the Company	5.9	2.4
Earnings per share		
- basic	HK1.06cents	HK0.43cents
Dividend	Nil	Nil
	As at	
	31 March	31 December
	2008	2007
	HK\$'m	HK\$'m
Cash and cash equivalents	41.4	38.4
Bank and other borrowings	28.3	28.9

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