



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

Press Release

**A STERLING INCREASE OF 61.2% IN TURNOVER TO HK\$112 MILLION
FOR THE FIRST HALF OF 2008**

NET PROFIT AFTER-TAX OF HK\$14.2 MILLION

Hong Kong, 8 August 2008 — ESSEX BIO-TECHNOLOGY LIMITED (“Essex” or the “Group” — Stock Code: 8151) today announced that the Group reported approximately HK\$112 million in turnover for the six months ended 30 June 2008, an increase of 61.2% over the corresponding previous period.

Sales of flagship pharmaceutical products increased by 35.6% to approximately HK\$40.2 million as compared to approximately HK\$29.7 million in the same period of last year. Sales of agricultural fertilizers increased by a sterling 80.2% to approximately HK\$71.8 million in the first half of 2008 as compared to approximately HK\$39.8 million in the corresponding previous period.

Overall gross profit for the six months ended 30 June 2008 increased to approximately HK\$49.6 million when compared to approximately HK\$29.1 million recorded in same period of last year. The increase is in tandem with the significant increase in both the sales of biopharmaceuticals and agricultural fertilizers.

The Group registered a profit attributable to equity holders of the Company of approximately HK\$14.2 million for the period ended 30 June 2008.

Distribution and selling expenses increased to approximately HK\$27.3 million for six months ended 30 June 2008 when compared to approximately HK\$18.4 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\$8 million in the six months ended 30 June 2008 when compared to approximately HK\$6.5 million recorded in the corresponding previous period. The increase was attributed to expanded operations for supporting the business expansion.

The Group had cash and cash equivalents of approximately HK\$53.4 million as at 30 June 2008 (31 December 2007: HK\$38.4 million).

As at 30 June 2008, short-term secured bank loans amounted to approximately HK\$28.9 million are secured by a charge over the Group's properties, land use rights 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: "We are pleased that the Group has delivered yet another set of strong quarterly results, which is a testament to the Group's overall development strategy being sound and resilient.

Capitalizing on the strong growth momentum, the Group continued its sales expansion through its established distribution network for both the biopharmaceutical products and organic and chemical formulated agricultural fertilizers, as well as looking at ways to cultivate and penetrate into new markets to further its 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 is 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 six months ended 30 June	
	2008	2007
	HK\$'m	HK\$'m
Turnover	112	69.5
Gross profit		
- in HK\$'m	49.6	29.1
- in %	44.3%	41.9%
Net profit attributable to equity holders of the Company	14.2	6.0
Earnings per share – basic	HK2.54cents	HK1.07cents
Dividend	Nil	Nil
	As at	
	30 June 2008	31 December 2007
	HK\$'m	HK\$'m
Cash and cash equivalents	53.4	38.4
Bank and other borrowings	28.9	28.9

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