



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

**Press Release**

**ESSEX Reports Net Profit of HK\$15.4 million,  
An Increase of 102.9%**

**Turnover Increased by 26.4% to HK\$ 49.2 million**

Hong Kong, 27 February 2006 - - ESSEX BIO-TECHNOLOGY LIMITED (“Essex” or the “Group” - Stock Code: 8151) today announced an audited profit of approximately HK\$15.4 million for the year ended 31 December 2005, a significant increase, as compared to approximately HK\$7.6 million in the previous year.

Turnover increased by 26.4% to approximately HK\$49.2 million. The increase is mainly attributable to the effectiveness of the Group’s market development and marketing strategies implemented over the last two years and sound efficacy of the products..

As a result, overall gross profit for the year ended 31 December 2005 increased to approximately HK\$41.7 million as compared to approximately HK\$34.5 million in the previous year.

Distribution and selling expenses increased to approximately HK\$27.7 million for the year ended 31 December 2005 when compared to approximately HK\$23.3 million in the previous year. The increase was mainly attributable to the increase of sales volume during the year under review, increase of marketing and promotional activities and increase of sales commission.

Administration expenses decreased to approximately HK\$9.5 million for the year ended 31 December 2005 as compared to approximately HK\$10.4 million in the previous year. The decrease was the result of cost containment efforts instituted by senior Group management during the year under view.

The Group improved significantly its cash on hand to approximately HK\$30.5 million as compared to approximately HK\$23.4 million in the previous year.

In November 2005, 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.

The investment in Yantai Baoyuan is part of the Group's expansion plan into another bio-technology related industry to further strengthen on the Group's core business and on the basis that it shall contribute to the positive growth and enhance the Shareholders' value of the Group.

Essex Chairman Patrick Ngiam said: "The great accomplishments in 2005 further confirmed that our development strategy and management approach are on sound track going forward. We will stay focused on driving progressive growth on its core biopharmaceutical products and expanding the newly acquired agricultural fertilisers business of Yantai Baoyuan in 2006".

"Further, the Group will continue to seek good investment opportunities to expand the Group's business progressively and achieving synergistic benefits to its current operations".

***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.

***For more information, please contact:***

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**Summary of key information:**

	For the year ended 31 December	
	2005	2004
	HK\$'m	HK\$'m
Turnover	49.2	38.9
Gross profit		
- in HK\$'m	41.7	34.5
- in %	84.7%	88.7%
Net Profit	15.4	7.6
Earnings per share		
- basic	HK2.78cents	HK1.37cents
- diluted	HK2.77cents	HK1.37cents
Dividend	Nil	Nil
Cash and bank balances	30.5	23.4
Bank borrowings	Nil	Nil

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