

【Press release】



ESSEX BIO-TECHNOLOGY LIMITED

億勝生物科技有限公司

(Stock Code: 1061)

Essex Bio-Technology Reports First Half 2020 Financial Results Amid Impact from COVID-19, Achieved PAT of HK\$49.2m on Turnover of HK\$323.8m

Hong Kong, 18 Aug 2020

Essex Bio-Technology Ltd (“EssexBio” or the “Group”, Stock Code: 1061.HK) today announced the interim results for the six months ended 30 June 2020.

Financial Results

For the six months ended 30 June 2020, the Group recorded a total turnover of approximately HK\$323.8 million, representing a decrease of 44.3% as compared to the same period of last year. The decrease is attributable to the governmental restrictions in place during the period under review in a number of provinces and municipalities in the PRC to curb the spread of the novel coronavirus (COVID-19), which significantly disrupted the clinical operations of hospitals in the PRC and have prevented non-emergency patients visiting hospitals and outpatient clinics, although significant improvement has been seen since June 2020.

During the period under review, the sectoral business of the Group is organised under:

1. Ophthalmology – Beifushu series and third party ophthalmic products including Xalatan® Eye Drops, Xalacom® Eye Drops and Shilishun (适丽顺, Iodized Lecithin Capsules); and
2. Surgical – Beifuji series and third party surgical products including Yi Xue An Granules.

The sectoral turnover of Ophthalmology and Surgical is approximately represented by 45.1% and 54.9% of the Group’s turnover, respectively. The combined turnover of the bFGF series (including Beifushu and Beifuji series) represented about 81.5% of the Group’s total turnover for the period under review.

Ophthalmology contributed approximately HK\$146.0 million to the Group's turnover for the six months ended 30 June 2020, representing a decrease of 41.6% as compared to the same period of last year. Surgical recorded a total turnover of approximately HK\$177.8 million for the six months ended 30 June 2020, representing a decrease of 46.4% as compared to the same period of last year. The decrease was attributed to the aforementioned impact of COVID-19.

During the period under review, the Group achieved after-tax profit of approximately HK\$49.2 million as compared to the corresponding period last year of approximately HK\$129.6 million, representing a decrease of 62.0% which was attributed to the aforementioned impact of COVID-19.

As at the end of June 2020, the Group had cash and cash equivalents of approximately HK\$390.4 million (31 December 2019: approximately HK\$473.3 million).

Business Review

Market Expansion

During the period under review, the Group's sales and distribution network has been enlarged to covering around 8,880 hospitals and medical organisations, coupled with approximately 2,000 pharmaceutical stores, which are mainly located in the major cities, provinces and county cities in the PRC. Pragmatically, the Group has initiated its regional expansion by setting up a base in Singapore for market access into Southeast Asian countries.

Research and Development

To advance our pursuits of new therapeutics programme involving antibodies that, in particular, target in oncology and ophthalmology, a wholly-owned subsidiary, **EssexBio Therapeutics Inc.** ("EssexBio USA"), has been incorporated in the United States on 9 March 2020. EssexBio USA is set up as the Group's R&D centre and clinical trial management of the Group's products in the United States. Being in the United States, EssexBio USA will position the Group with better visibility for in and out licensing potential of technologies and products.

Enrichment Programme

The Enrichment Programme was initiated since 2015, chiefly for expanding the Group's R&D technologies and products portfolio. Up to the date of results announcement, the Group has invested totalling approximately HK\$439.2 million in projects and/or companies that are at different clinical stages of development of therapeutics particularly in the fields of ophthalmology and oncology, and in healthtech for therapy.

On 4 June 2020, the Group entered into a framework agreement with Tibet Linzhi Parkson Pharmaceutical Co., Ltd. in relation to the possible acquisition of, among others, all intellectual property rights relating to all technologies and process of product R&D and production of Shilishun (适丽顺, Iodized Lecithin Capsules) and other medicinal products in different forms in which iodized lecithin serves as an active pharmaceutical ingredient.

Construction of the Second Factory

For the near-term expansion of the facilities of the Group, the construction work of the second factory with a GFA of about 58,000 square meters has started on 1 January 2020 and is expected to be completed by mid-2023. The second factory is planned to house the Group's R&D centre, additional manufacturing facility, administrative office and staff hostel.

Pandemic of COVID-19

As the pandemic of COVID-19 continues to evolve worldwide, although the situation in China has been significantly relieved since late Q2 2020, the board of directors will continue to monitor and mitigate the impact of the pandemic on the Group's operation and financial performance. Nevertheless, the Group remains fundamentally sound and well-positioned to implement its business strategy as planned.

~ End ~

About Essex Bio-Technology

Essex Bio-Technology is a bio-pharmaceutical company that develops, manufactures and commercialises genetically engineered therapeutic rb-bFGF (FGF-2), having five commercialised biologics marketed in China since 1998.

The products of the Company are principally prescribed for the treatment of wounds healing and diseases in Ophthalmology & Dermatology, which are marketed and sold through approximately 8,880 hospitals and managed directly by its 43 regional sales offices in China.

Leveraging on its in-house R&D platform in growth factor and antibody, the Company maintains a pipeline of projects in various clinical stages, covering a wide range of fields and indications.

Contact

IR: Investors@essex.com.cn

PR: Media@essex.com.cn