



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

Press Release

**GROUP PHARMACEUTICAL BUSINESS RECORDED MODERATE GROWTH
OF 25.6% IN REVENUE**

Hong Kong, 25 March 2010 — ESSEX BIO-TECHNOLOGY LIMITED (“Essex” or the “Group” — Stock Code: 8151) today announced that the Group reported approximately HK\$116.7 million in turnover for the sale of pharmaceutical products for year ended 31 December 2009, an increase of 25.6% over the corresponding previous year.

Overall gross profit for the year ended 31 December 2009 increased to approximately HK\$105.6 million when compared to approximately HK\$84.0 million recorded in 2008. Gross profit ratio maintained at 90% for the year under review.

Profit before income tax from continuing operations for the year ended 31 December 2009 increased by 15.1% to approximately HK\$21.6 million as compared to approximately HK\$18.7 million in 2008.

Profit after income tax from continuing operations for the year ended 31 December 2009 slightly increased by 1.6% to HK\$16.8 million as compared to HK\$16.5 million in 2008. In 2009, it included the provision for deferred tax liabilities arose from withholding tax on distributable profits of a subsidiary in the PRC. No provision was made in 2008. Profit attributable to owners of the Company decreased from HK\$21.8 million in 2008 to HK\$11.6 million in 2009 as it included loss from discontinued operations.

Distribution and selling expenses increased to approximately HK\$69.6 million for the year ended 31 December 2009 when compared to approximately HK\$55.1 million recorded in 2008. The increase was mainly attributable to higher expenses incurred in sales, marketing and promotional activities which are in line with the expansion of pharmaceutical business in 2009.

Administrative expenses increased to approximately HK\$15.3 million in the year ended 31 December 2009 when compared to approximately HK\$11.6 million recorded in 2008. The increase is in tandem with the expanded operations to support the pharmaceutical business expansion.

The Group had cash and cash equivalents of approximately HK\$67.7 million as at 31 December 2009 (2008: HK\$49.9 million).

As at 31 December 2009, the Group has no bank and other borrowings. As at 31 December 2008, short-term secured bank loans amounted to approximately HK\$34.6 million. They were secured by a charge over the land, properties and inventories of Shandong Baoyuan. The short-term secured bank loans were removed altogether with the disposal of interests in Shandong Baoyuan which was completed in 2009.

The Group's subsidiary, Zhuhai Essex Bio-Pharmaceutical Co. Ltd ("Essex Bio-Pharm") has been conferred with two Awards from Guangdong Pharmaceutical Profession Association. The two Awards are:

1. "2008 Top Five Manufacturing Enterprise in Bio-Technological and Bio-Chemistry Pharmaceutical Industries in Guangzhou" and
2. "2008 Top Sixty Enterprise in Pharmaceutical Industries in Guangdong".

The receipt of the two Awards is the result of the years of relentless investments made in research & development and market cultivation program, catapulting the Group to excel new heights.

Chairman Patrick Ngiam said, "Despite facing with the unprecedented challenging economic conditions globally, the Group's pharmaceutical business had recorded a moderate growth of 25.6% in revenue. A testament of Group core business being well entrenched and resilient".

"The complete divestment of the agricultural fertilizers business was timely executed, which had unlocked resources for expanding the pharmaceutical business of the Group," added Mr. Ngiam.

In addition, during the year under review, Essex Medipharma (Zhuhai) Company Limited ("Essex Medipharma") has signed another distribution agreement with an Indian company, Sun Pharmaceutical Industries Ltd., for the distribution of Latanoprost Ophthalmic Solution. Latanoprost Ophthalmic Solution is indicated for the treatment of Glaucoma, which has been approved from SFDA for sales in the PRC. The product is scheduled for commercial launch in the first quarter of 2010.

The Group has entered into two ophthalmic pharmaceutical collaboration agreements (the "Collaboration Agreements") with Jinan Bestcomm Pharmaceutical R&D Co., Ltd ("Jinan Bestcomm") in the third quarter of 2009.

Jinan Bestcomm is a high-tech enterprise specializing in the development of new medicine products and is the first enterprise of its kind to obtain ISO-9001 Quality Management System Certification.

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.

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Summary of key information:

	For the year ended 31 December	
	2009	2008
	HK\$'m	(Restated) HK\$'m
<u>Continuing Operations</u>		
Turnover	117	93
Gross profit		
- in HK\$'m	106	84
- in %	90.5%	90.5%
<u>Profit attributable to owners of the Company</u>	12	22
<u>Earnings per share – basic</u>		
Continuing and discontinued operations	HK2.07 cents	HK3.92 cents
Continuing operations	HK3.00 cents	HK2.96 cents
Dividend	HK1 cent	HK1 cent
	As at	As at
	31 December	31 December
	2009	2008
	HK\$'m	HK\$'m
Cash and cash equivalents	68	50
Bank borrowings	Nil	35

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