



**ESSEX BIO-TECHNOLOGY LIMITED**

**億勝生物科技有限公司**

**Press Release**

**GROWTH OF 40.1% & 13.8% IN TURNOVER AND PROFIT RESPECTIVELY**

\*\*\*

Hong Kong, 7 August 2014 — ESSEX BIO-TECHNOLOGY LIMITED (“Essex” or the “Group” — Stock code: 1061) today announced that the Group achieved turnover of approximately HK\$231.3 million (2013: HK\$165.2 million), representing a growth rate of 40.1%. The increase was attributed from: (1) Beifushu and Beifuji series 29%; and (2) Pfizer Eye Drops and services provided 11%.

The Group’s gross profit has grown in tandem with expanded sales. The gross profit for the period ended 30 June 2014 was approximately HK\$189.9 million (2013: HK\$150.3 million), an increase of 26.4%.

The current period’s profit attributable to owners of the Company was approximately HK\$30.6 million compared to the previous period’s approximately HK\$26.9 million, an increase of 13.8%. The current period’s profit was weighed down by a non-cash provision of HK\$6.3 million equity settled share-based payment expense for the options granted in October 2013.

The distribution and selling expenses for the period under review were approximately HK\$129.8 million as compared to the previous period’s approximately HK\$103.0 million, an increase of 26.1%, which is mainly due to the expansion of sales and marketing function for promotion of the wound healing and treatment products and organization of seminars for product training and awareness.

The administrative expenses for the period under review were approximately HK\$21.8 million compared to approximately HK\$10.9 million of corresponding period of last year. The increase of administrative expenses is mainly due to the provision of HK\$6.3 million equity settled share-based payment expense for the options granted in October 2013. Research and development expenses were increased to approximately HK\$5.9 million for the period ended 30 June 2014 as compared to approximately HK\$4.4 million for the corresponding previous period.

The Group had cash and cash equivalents of approximately HK\$50.3 million as at 30 June 2014 (31 December 2013: HK\$54.5 million).

The bank borrowings as at 30 June 2014 were RMB45 million (equivalent to approximately HK\$56.7 million). They are repayable within five years and bear interest at prevailing interest rate and are secured by certain assets of the Group’s subsidiary.

The completion and commission of the new factory at Zhuhai, the People's Republic of China (the "PRC") in December 2013 offers the Group a manufacturing floor area of approximately 20,000 sq.m, an increase of 15,000 sq.m over the previous factory premises. Together with the state-of-the-art technology of manufacturing plant and equipment installed, the new manufacturing facilities with advanced quality control systems have expanded the Group's manufacturing capacity and capability. The factory was granted with a Good Manufacturing Practice certification in December 2013 from China Food and Drug Administration ("CFDA") of the PRC and operations of the new factory have commenced since January 2014.

The Group entered into an import and service agreement with Pfizer International Trading (Shanghai) Limited ("Pfizer") on 17 February 2014. Pursuant to the import and service agreement, the Group is appointed and/ or authorized by Pfizer as its exclusive importer, distributor and promoter for Xalatan<sup>®</sup> eye drops and Xalacom<sup>®</sup> eye drops (collectively the "Pfizer Eye Drops") in the Mainland China (excluding Taiwan, Hong Kong and Macau) ("China"). The Pfizer Eye Drops are medicines to lower raised pressure within the eye.

The establishment of business relationship with Pfizer will expand the range of the Group's eye drops products, benefiting the Group in striving for sustainable growth in the ophthalmology arena in China.

On 16 April 2014, 珠海億勝生物製藥有限公司 (Zhuhai Essex Bio-Pharmaceutical Company Limited) ("Zhuhai Essex"), an indirect wholly-owned subsidiary of the Company was granted a 國產保健食品批准證書 (Certificate of Domestic Health Food) (the "Health Food Certificate") by CFDA for a period from 16 April 2014 to 15 April 2019 in respect of the product known as 「貝復<sup>®</sup> 舒輝膠囊 (beifu<sup>®</sup> shuhui capsules)」 ("Approved Product"). The Approved Product is to alleviate the tiresome of eyes.

*Chairman Patrick Ngiam said, "We are pleased with the overall results and in particular the progressive contribution derived from Beifuji series of the surgical division. The Company is optimistic of sustaining positive results in the remaining months of the year, barring any unforeseen circumstance."*

- End -

#### **About Essex Bio-Technology Limited:**

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. The Group also engaged in the research and development of bFGF products for new indications, as well as other ophthalmic pharmaceutical projects.

*For more information, please contact:*

**Essex Bio-Technology Limited**

Email : [essex@essexbio.com](mailto:essex@essexbio.com)

Tel : (852) 2587-7838

Fax : (852) 2587-7363

## Summary of key information

|  | For the period ended<br>30 June    |  |
|--|------------------------------------|--|
|  | 2014<br>HK\$'m                     | 2013<br>HK\$'m                         |
| Turnover                                     | 231.3                              | 165.2                                  |
| Gross profit                                 | 189.9                              | 150.3                                  |
| Profit attributable to owners of the Company | 30.6                               | 26.9                                   |
| Earnings per share – basic and diluted       | HK5.49 cents                       | HK4.83 cents                           |
|  |                                    |  |
|  | As at<br>30 June<br>2014<br>HK\$'m | As at<br>31 December<br>2013<br>HK\$'m |
|  |                                    |  |
| Cash and cash equivalents                    | 50.3                               | 54.5                                   |
| Bank borrowings                              | 56.7                               | 50.8                                   |

- End -