ESSEX BIO-TECHNOLOGY LIMITED

億勝生物科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1061)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

The board of directors (the "Board") of Essex Bio-Technology Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2011 together with comparative figures for the year ended 31 December 2010 as follows:

FINANCIAL SUMMARY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	Notes	**2011** ***HK$***	2010 *HK$*
Turnover	*3*	**212,716,340**	146,281,574
Cost of sales		**(20,277,655)**	(11,936,206)
Gross profit		**192,438,685**	134,345,368
Other revenue, gains and (losses)	*5*	**1,126,117**	(1,466,001)
Distribution and selling expenses		**(133,552,801)**	(89,748,373)
Administrative expenses		**(19,884,567)**	(11,932,228)
Profit before income tax expense	*6*	**40,127,434**	31,198,766
Income tax expense	*7*	**(6,924,806)**	(4,614,394)
Profit for the year		**33,202,628**	26,584,372
Other comprehensive income			
Exchange differences on translating foreign operations		**3,307,433**	3,267,231
Total comprehensive income for the year		**36,510,061**	29,851,603
Profit attributable to:			
– Owners of the Company		**33,202,628**	26,584,372
– Non-controlling interests		**–**	–
		33,202,628	26,584,372
Total comprehensive income attributable to:			
– Owners of the Company		**36,510,061**	29,851,603
– Non-controlling interests		**–**	–
		36,510,061	29,851,603
Earnings per share – Basic and diluted	*9*	**HK5.96 cents**	HK4.77 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2011

	Notes	2011 HK$	2010 HK$
Non-current assets			
Property, plant and equipment		**35,601,836**	11,436,931
Land use rights		**7,481,891**	7,379,016
Goodwill		**2,488,928**	2,384,580
Other intangible assets		**9,533,331**	7,611,128
Convertible note receivable		**–**	2,250,110
Deposits and prepayments	*10*	**21,118,246**	–
Deferred tax assets		**2,206,173**	–
Total non-current assets		**78,430,405**	31,061,765
Current assets			
Inventories		**4,262,422**	3,662,225
Trade and other receivables	*11*	**74,587,032**	50,764,174
Deposits and prepayments	*10*	**2,185,668**	2,217,721
Convertible note receivable		**2,700,130**	–
Pledged bank deposits		**18,921,233**	2,578,649
Cash and cash equivalents		**36,812,068**	78,906,770
		139,468,553	138,129,539
Total assets		**217,898,958**	169,191,304
Current liabilities			
Trade and other payables	*12*	**50,369,096**	34,508,163
Taxation		**3,188,893**	2,148,549
		53,557,989	36,656,712
Net current assets		**85,910,564**	101,472,827
Total assets less current liabilities		**164,340,969**	132,534,592
Non-current liabilities			
Deferred tax liabilities		**1,080,000**	216,184
Total liabilities		**54,637,989**	36,872,896
NET ASSETS		**163,260,969**	132,318,408
Capital and reserves attributable to owners of the Company			
Share capital		**55,675,000**	55,675,000
Reserves		**107,585,969**	76,643,408
Equity attributable to owners of the Company		**163,260,969**	132,318,408
Non-controlling interests		**–**	–
TOTAL EQUITY		**163,260,969**	132,318,408

NOTES:

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENT

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs – effective 1 January 2011

HKFRSs (Amendments)	Improvements to HKFRSs 2010
Amendments to HKAS 32	Classification of Rights Issues
Amendments to HK(IFRIC) – Interpretation 14	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
HKAS 24 (Revised)	Related Party Disclosures

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKFRS 7	Disclosure – Transfers of Financial Assets[1]
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income[2]
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities[3]
HKFRS 10	Consolidated Financial Statements[3]
HKFRS 12	Disclosure of Interest in Other Entities[3]
HKFRS 13	Fair Value Measurement[3]
HKAS 27 (2011)	Separate Financial Statements[3]
Amendments to HKAS 32	Presentation – Offsetting Financial Assets and Financial Liabilities[4]
HKFRS 9	Financial Instruments[5]

[1] *Effective for annual periods beginning on or after 1 July 2011*
[2] *Effective for annual periods beginning on or after 1 July 2012*
[3] *Effective for annual periods beginning on or after 1 January 2013*
[4] *Effective for annual periods beginning on or after 1 January 2014*
[5] *Effective for annual periods beginning on or after 1 January 2015*

3. TURNOVER

Turnover, which is also the revenue, represents sales value of biopharmaceutical products supplied to customers less discounts, returns, value added tax and other applicable local taxes.

4. SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

(a) Reportable segments

No separate business segment information is presented as the Group has only one business segment which is the manufacture and sale of biopharmaceutical products.

(b) Geographical information and major customers

During the year under review, the Group's revenue from external customers is derived solely from its operations in the PRC, where all its non-current assets are located. For the year ended 31 December 2010, the Group's revenue from external customers was derived solely from its operations in the PRC, where all its non-current assets, other than the convertible note receivable, were located.

Revenue from one customer of the Group amounted to HK$42,569,000 (2010: HK$29,582,000) which represents 20% or more of the Group's revenue.

5. OTHER REVENUE, GAINS AND (LOSSES)

	2011	2010
	HK$	*HK$*
Interest income from bank deposits	**1,005,132**	228,128
Interest income on a convertible note receivable	**450,020**	629,890
Reversal of impairment loss of trade and other receivables	**284,052**	38,765
Reversal of accruals and other payables	**43,418**	–
Impairment on deposits and prepayments	**(781,700)**	–
Impairment on convertible note receivable	**–**	(2,880,000)
Others	**125,195**	517,216
	1,126,117	(1,466,001)

6. PROFIT BEFORE INCOME TAX EXPENSE

Profit before income tax expense is arrived at after charging/(crediting):

	2011	2010
	HK$	*HK$*
Cost of inventories recognised as expenses	**20,277,655**	11,936,206
Staff costs excluding directors' remuneration:–		
Salaries and other benefits	**16,520,523**	10,690,390
Pension fund contributions	**918,155**	511,547
Depreciation of property, plant and equipment	**920,809**	1,699,690
Exchange gain	**(1,558,400)**	(1,139,664)
Amortisation of other intangible assets	**120,613**	114,937
Amortisation of land use rights	**159,814**	152,294
Auditor's remuneration:–		
Current year	**400,000**	380,000
Under provision for last year	**47,456**	47,979
	447,456	427,979
Research and development costs expensed:		
As incurred	**4,264,005**	1,952,068
Impaired	**3,615,378**	–
	7,879,383	1,952,068

7. INCOME TAX EXPENSE

The amount of taxation in the consolidated statement of comprehensive income represents:

	2011	2010
	HK$	*HK$*
Current tax – the PRC		
– Provision for the year	**8,217,960**	5,455,288
– Deferred tax	**(1,293,154)**	(840,894)
	6,924,806	4,614,394

No provision for Hong Kong profits tax has been made as the Group incurred losses for Hong Kong profits tax purpose.

The Group's operating subsidiary in Zhuhai, the PRC, carries on business in the Special Economic Zones of the PRC as a high technology enterprise. The subsidiary obtained a 高新技術企業證書 (High Technology Enterprise Certificate) and is entitled to enjoy the enterprise income tax at the concessionary rate of 15% for the three years from 2008 to 2010. The subsidiary successfully renewed its status as a high technology enterprise and continues to enjoy enterprise income tax at the concessionary rate of 15% up to 31 December 2013.

The Group's other operating subsidiary in Zhuhai, the PRC, which carries on business in the Special Economic Zones of the PRC, is subject to enterprise income tax at the concessionary rate of 24% (2010: 22%).

In accordance with the new law on PRC Enterprise Income Tax approved on 16 March 2008, an unified enterprise income tax rate of 25% will be applied to both domestic-invested enterprises and foreign-invested enterprises. Enterprises eligible for preferential tax treatment in accordance with the currently prevailing tax laws and administrative regulations shall, under the regulations of the State Council, gradually be subject to the new tax rate over a five-year transitional period until fully effective in 2012.

The income tax expense for the year can be reconciled to the profit per the consolidated statement of comprehensive income as follows:

	2011	2010
	HK$	*HK$*
Profit before income tax expense	**40,127,434**	31,198,766
Tax calculated at Hong Kong profits tax rate of 16.5% (2010: 16.5%)	**6,621,027**	5,147,796
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(749,681)**	(1,390,564)
Tax effect of expenses not deductible for tax purposes	**246,601**	4,725,808
Tax effect of revenue not taxable for tax purposes	**(365,506)**	(3,859,178)
Tax effect of tax loss not recognised	**1,575,278**	140,463
Tax effect of deductible temporary differences previously not recognised	**–**	221,773
Tax benefits	**(713,769)**	(436,909)
Others	**310,856**	65,205
Income tax expense	**6,924,806**	4,614,394

8. DIVIDENDS

	2011	2010
	HK$	*HK$*
Final, proposed – HK1.20 cents (2010: HK1.00 cent) per share	**6,681,000**	5,567,500

The directors propose a final dividend of HK1.20 cents (2010: HK1.00 cent) per ordinary share to be paid. The amount of proposed final dividend for 2011 is based on 556,750,000 shares (2010: 556,750,000) issued as at 31 December 2011. This proposed dividend is not reflected as dividend payable as at the end of the reporting period but will be reflected as an appropriation of retained profits for the year ending 31 December 2012.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

Earnings

	2011	2010
	HK$	*HK$*
Earnings for the purposes of basic and diluted earnings per share	**33,202,628**	26,584,372

The denominator used for earnings per share is the number of ordinary shares of 556,750,000 (2010: 556,750,000) in issue during the years.

There was no potential ordinary share in issue for the years ended 31 December 2011 and 2010. Accordingly, the diluted earnings per share is same as the basic earnings per share for both years.

10. DEPOSITS AND PREPAYMENTS

	2011	2010
	HK$	*HK$*
Deposits	**521,738**	509,385
Prepayments	**22,782,176**	1,708,336
Total	**23,303,914**	2,217,721
Included in current assets	**(2,185,668)**	(2,217,721)
	21,118,246	–

Deposits and prepayments of the Group do not contain impaired assets and their carrying amounts approximate their fair values.

Prepayments of the Group mainly represent costs of construction in progress and purchase of machinery prepaid.

11. TRADE AND OTHER RECEIVABLES

	2011	2010
	HK$	*HK$*
Trade receivables	**74,171,808**	50,737,138
Less: provision for impairment	**–**	(278,064)
Trade receivables – net	**74,171,808**	50,459,074
Other receivables	**415,224**	305,100
Total	**74,587,032**	50,764,174

(i) The Group's policy is to allow an average credit period of 90 days to its trade customers.

(ii) The movements in the provision for impairment on trade receivables during the year were as follows:

	2011	2010
	HK$	*HK$*
At beginning of year	**278,064**	306,676
Reversal of allowance	**(284,052)**	(38,765)
Exchange adjustment	**5,988**	10,153
At end of year	**–**	278,064

The directors have considered the track record of customers and age of the outstanding balances and are of the view that no provision is required as at 31 December 2011 (2010: HK$278,064).

The following is an ageing analysis of trade receivables, net of allowance for impairment of trade receivables, as at the end of the reporting period:

	2011	2010
	HK$	*HK$*
0 – 60 days	**44,100,044**	31,125,469
61 – 90 days	**14,337,157**	9,314,133
> 90 days	**15,734,607**	10,019,472
	74,171,808	50,459,074

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	2011	2010
	HK$	*HK$*
Not past due	**58,437,200**	40,439,602
Less than 3 months past due	**15,734,608**	10,019,472
	74,171,808	50,459,074

Receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

12. TRADE AND OTHER PAYABLES

	2011	2010
	HK$	*HK$*
Trade payables	**349,520**	210,153
Other payables	**12,075,297**	12,140,690
Accruals	**32,387,861**	17,680,325
VAT payable	**5,556,418**	4,476,995
	50,369,096	34,508,163

The Group's operating subsidiaries in the PRC are subject to VAT, the principal indirect PRC tax which is charged on the selling price of finished products at a general rate of 17%. An input credit is available whereby input VAT previously paid on purchase of raw materials and plant and machinery can be used to offset the output VAT on sales to determine the net VAT payable.

Other payables and accruals principally consist of construction cost payable, bonus, promotion and distribution and selling expenses payables.

The following is an ageing analysis of trade payables at the end of the reporting period:

	2011	2010
	HK$	*HK$*
0 – 60 days	**349,520**	126,150
61 – 90 days	**–**	22,856
> 90 days	**–**	61,147
	349,520	210,153

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

Year 2011 is a remarkable year for the Group. The Company had successfully transferred the listing of its shares from the Growth Enterprise Market to the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 23 June 2011. The Board believes that the transfer of listing will improve the liquidity of the shares and enhance the profile of the Company. The Board considers that the transfer of listing will be beneficial to the future growth and business development of the Group as well as its financing flexibility.

During the year under review, the Group’s principal activities were manufacture and sale of biopharmaceutical products for the treatment and healing of surface wounds and eye wounds. The Group was also engaged in the research and development of bFGF products for new indications, as well as other ophthalmic pharmaceutical projects.

The Group’s revenue for the year 2011 increased by 45.4% to approximately HK$212.7 million (2010: HK$146.3 million).

During the year under review, the revenue of the Group’s flagship biopharmaceutical products, Beifushu and Beifuji, represents over 90% of the overall Group’s revenue. The significant growth is a testament to the function and purpose of the network of the regional sales offices (“RSOs”), which have been established and nurtured over the last few years, and the proven clinical efficacy of its products.

The Group’s years of relentless investments in market cultivation and the seeking of new clinical applications of its products have gained stronger foothold for sustainable growth prospects.

MARKET DEVELOPMENT

The Group established 4 new RSOs in Shaanxi, Ganzhou, Shantou and Nanjing, the PRC, bringing the total number of RSOs to 27 during the year under review. There are over 1,300 hospitals in major provinces in the PRC that carry the Group’s flagship pharmaceutical products.

To cultivate wider market coverage for reaching out to potential patients of the Group’s genetic products, the Group has conducted and/or participated in over 178 seminars and 673 market promotion activities in major cities and provinces in the PRC during the year under review, educating and briefing more than 50,000 doctors and medical practitioners on the clinical applications of the Group’s products.

RESEARCH AND DEVELOPMENT ("R&D")

The Group's R&D initiative continues to capitalise on its core-competency in the recombinant of DNA arena (rDNA), in particular, the basic fibroblast growth factor – bFGF. Proliferating new products using bFGF as the main ingredient for new indications as well as ever improving on the quality standard are pragmatic investments undertaken to enable the Group to maintain its leading position in the application of bFGF for various clinical indications.

In addition, the Group will focus on expanding its R&D efforts to create a large portfolio of eye care and treatment products to enable the Group to become a key player in the eye care and treatment arena in the PRC in years to come.

Strengthening on the Group's intellectual properties is relentlessly being cultivated. A total of five applications for patents have been filed with the Patent Office in the PRC, and one patent on "bFGF medical amniotic membrane" had been granted during the year under review, others are pending approval.

FINANCIAL REVIEW

During the year ended 31 December 2011, the Group maintained a rapid and continuous growth, with a recorded turnover for the year ended 31 December 2011 reaching approximately HK$212.7 million, representing a significant increase of 45.4% as compared with approximately HK$146.3 million in the preceding year.

Overall gross profit for the year ended 31 December 2011 increased to approximately HK$192.4 million when compared to approximately HK$134.3 million recorded in the preceding year.

Profit attributable to the owners of the Company for the year ended 31 December 2011 increased by 24.9% to approximately HK$33.2 million as compared to approximately HK$26.6 million in the preceding year.

Distribution and selling expenses increased to approximately HK$133.6 million for the year ended 31 December 2011 when compared to approximately HK$89.7 million recorded in the preceding year. The increase was mainly attributable to the establishment of 4 new RSOs in the year under review. Higher expenses incurred in sales, marketing and promotional activities which are in line with the expansion of pharmaceutical business in the year under review.

Administrative expenses rose by 66.6% to approximately HK$19.9 million in the year ended 31 December 2011 when compared to approximately HK$11.9 million recorded in 2010. The increase was due to the continuous expansion of the operations. The addition of new products for development has resulted in the increase of research and development expenses to approximately HK$7.9 million as compared to approximately HK$2 million in 2010.

The Group had cash and cash equivalents of approximately HK$36.8 million as at 31 December 2011 (2010: HK$78.9 million). The decrease was mainly due to cash used for the construction of new factory in Zhuhai, the PRC. As at 31 December 2011, the pledged bank deposits of RMB15.5 million (equivalent to HK$18.9 million) were pledged to a bank for the guarantees of the construction agreement in respect of the construction work of the factory in Zhuhai and acquisition of plant and machinery from overseas suppliers.

As at 31 December 2011 and 2010, the Group had no bank and other borrowings.

On 16 January 2012, the Group obtained a bank loan of RMB20 million at up-floated 20% over the PRC's benchmark lending interest rate per annum. It is secured by the land use rights and construction in progress and is repayable on 16 January 2013. The purpose of the loan is to finance the acquisition of raw materials and working capital of the Group.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The construction of the building of the new factory in Zhuhai, the PRC had been completed at the end of 2011. It is now undergoing installation of facilities, plant and equipment, and is in the process of obtaining its GMP certification under the regulatory requirements of the State Food Drug Administration of the PRC, targeted for completion by mid 2013. The new factory will have a total manufacturing floor area of approximately 20,000 sq.m., an increase of approximately 15,000 sq.m. over the current factory space. The additional space and facilities provided by the new factory will enable the Group's future operational expansion, in both the research and development capability and manufacturing capacity for reaching greater competitiveness and economies of scale of the Group.

The expected source of funding for the construction of the new factory and acquisition of new facilities, plant and equipment will come from the Group's internal sources and short-term bank borrowings.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2011, the Group had cash and cash equivalents of approximately HK$36.8 million as compared to approximately HK$78.9 million as at 31 December 2010.

As at 31 December 2011, the pledged bank deposits of RMB15.5 million (equivalent to HK$18.9 million) were pledged to a bank for the guarantees of the construction agreement in respect of the construction work of the factory in Zhuhai and acquisition of plant and machinery from overseas suppliers.

The Group monitors its capital structure on the basis of a net debts-to-adjusted capital ratio. For this purpose, the Group defines net debts as total debts (which includes interest-bearing loans and borrowings and trade and other payables) less cash and cash equivalents. Adjusted capital comprises all components of equity. The net debts-to-adjusted capital ratio at 31 December 2011 is 8.3% (2010: zero).

CHARGES ON GROUP ASSETS

As at 31 December 2011, the Group's pledged deposits, land use rights and certain construction in progress with carrying amount in aggregate of approximately HK$57.6 million were pledged to secure the banking facility.

COMMITMENT

As at 31 December 2011, the Group had contracted commitments of approximately HK$20.8 million (2010: HK$24.6 million).

CONTINGENT LIABILITIES

As at 31 December 2011, the Group did not have any significant contingent liabilities (2010: Nil).

BANK BORROWINGS

The Group had no outstanding bank borrowings as at 31 December 2011 (2010: Nil).

On 16 January 2012, the Group obtained a bank loan of RMB20 million at up-floated 20% over the PRC's benchmark lending interest rate per annum. It is secured by the land use rights and construction in progress and is repayable on 16 January 2013. The purpose of the loan is to finance the acquisition of raw materials and working capital of the Group.

FOREIGN EXCHANGE EXPOSURE

It is the Group's policy to borrow and deposit cash in local currencies to minimise currency risk.

TREASURY POLICY

The Group generally financed its operations with internally generated cash flows, short-term bank and other borrowings. The Group placed these resources into interest-bearing bank accounts opened with the PRC and Hong Kong banks and earned interests in accordance with the PRC and Hong Kong banks rates. Bank deposits were mainly denominated in Renminbi and Hong Kong Dollar.

EMPLOYEES

As at 31 December 2011, the Group had a total of 320 full-time employees. The aggregate remuneration of the Group's employees, including that of the directors of the Company ("Director"), for the year under review and the preceding year amounted to approximately HK$20.6 million and approximately HK$14.1 million respectively. The Group remunerates its employees based on their performance, experience and the prevailing industry practice. Share options and bonuses are also available to employees of the Group at the discretion of the Directors and depending on the financial performance of the Group.

Each of the three executive Directors has entered into a service agreement with the Company whereby each of them had been appointed to act as an executive Director for a term of three years commencing from 27 June 2010 and expiring on 26 June 2013 unless terminated (without cause) by the Company giving not less than six months' prior written notice to the relevant Director. The executive Directors shall not be entitled to terminate their respective appointments at any time during the term unless with the written consent of the Company deliberated by the board of Directors. The annual remuneration of the executive Directors was fixed in the respective service agreements and each of the executive Directors is also entitled to a discretionary management bonus to be determined having regard to the operating results of the Group and his performance in the relevant financial year, provided that the aggregate amount of such management bonuses payable to all executive Directors in any financial year shall not exceed 6% of the consolidated net profits after taxation and non-controlling interests but before extraordinary items of the Company for such financial year and that the said consolidated net profits for such year exceeds HK$5,000,000. Such management bonuses shall be payable within three months after the issue of the audited consolidated accounted of the Group for the relevant financial year.

Other remuneration and benefits, including retirement benefits scheme, remained at appropriate level.

DIVIDENDS

The Directors have recommended the payment of a final dividend of HK1.20 cents per share for the financial year ended 31 December 2011 to the shareholders of the Company whose names appear on the register of members of the Company on Wednesday, 16 May 2012. The final dividend will be payable on 28 May 2012.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 2 May 2012 to Monday, 7 May 2012, both days inclusive, for ascertaining shareholders' right to attend and vote at the forthcoming annual general meeting to be held on Monday, 7 May 2012. During this period, no transfer of shares will be registered. In order to be entitled to attend the annual general meeting, all transfers of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the Hong Kong share registrar of the Company, Hong Kong Registrars Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 30 April 2012.

The register of members of the Company will be closed from Monday, 14 May 2012 to Wednesday, 16 May 2012 for ascertaining shareholders' entitlement to the proposed final dividend. No transfer of shares will be registered during this period. In order to qualify for the proposed final dividend to be approved at the forthcoming annual general meeting to be held on Monday, 7 May 2012, all transfers of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the Hong Kong share registrar of the Company, Hong Kong Registrars Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 11 May 2012.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year under review.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 15 to the GEM Listing Rules and the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules, as applicable, throughout the financial year ended 31 December 2011.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's results for the year ended 31 December 2011 as set out in this announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2011. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on this preliminary results announcement.

AUDIT COMMITTEE

The audited consolidated financial statements of the Company for the year ended 31 December 2011 had been reviewed by the Audit Committee of the Company before they were duly approved by the Board under the recommendation of the Audit Committee.

By order of the Board
Essex Bio-Technology Limited
Ngiam Mia Je Patrick
Chairman

Hong Kong
23 March 2012

Executive directors of the Company as at the date of this announcement are Mr Ngiam Mia Je Patrick, Mr Fang Haizhou and Mr Zhong Sheng. Independent non-executive directors of the Company as at the date of this announcement are Mr Fung Chi Ying, Mr Mauffrey Benoit Jean Marie and Ms Yeow Mee Mooi.