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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

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 2012 together with comparative figures for the year ended 31 December 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

	Notes	**2012** **HK$**	2011 HK$
Turnover	*3*	**267,255,167**	212,716,340
Cost of sales		**(23,563,134)**	(20,277,655)
Gross profit		**243,692,033**	192,438,685
Other revenue, gains and (losses)	*5*	**2,427,379**	1,126,117
Distribution and selling expenses		**(168,012,021)**	(133,552,801)
Administrative expenses		**(26,754,610)**	(19,884,567)
Finance costs		**(1,701,743)**	–
Profit before income tax expense	*6*	**49,651,038**	40,127,434
Income tax expense	*7*	**(10,655,902)**	(6,924,806)
Profit for the year		**38,995,136**	33,202,628
Other comprehensive income			
Exchange differences on translating foreign operations		**697,797**	3,307,433
Total comprehensive income for the year		**39,692,933**	36,510,061
Profit attributable to owners of the Company		**38,995,136**	33,202,628
Total comprehensive income attributable to owners of the Company		**39,692,933**	36,510,061
Earnings per share – Basic and diluted	*9*	**HK7.00 cents**	HK5.96 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2012

	Notes	2012 HK$	2011 HK$
Non-current assets			
Property, plant and equipment		**149,126,817**	35,601,836
Land use rights		**7,363,056**	7,481,891
Goodwill		**2,506,707**	2,488,928
Other intangible assets		**9,714,695**	9,533,331
Deposits and prepayments	10	**–**	21,118,246
Deferred tax assets		**1,650,348**	2,206,173
Convertible note receivable		**2,700,130**	–
Total non-current assets		**173,061,753**	78,430,405
Current assets			
Inventories		**4,308,725**	4,262,422
Trade and other receivables	11	**93,213,617**	74,587,032
Deposits and prepayments	10	**1,328,072**	2,185,668
Convertible note receivable		**–**	2,700,130
Pledged bank deposits		**–**	18,921,233
Cash and cash equivalents		**59,830,972**	36,812,068
		158,681,386	139,468,553
Total assets		**331,743,139**	217,898,958
Current liabilities			
Trade and other payables	12	**55,846,628**	50,369,096
Bank borrowings		**73,818,898**	–
Taxation		**1,683,156**	3,188,893
		131,348,682	53,557,989
Net current assets		**27,332,704**	85,910,564
Total assets less current liabilities		**200,394,457**	164,340,969
Non-current liabilities			
Trade and other payables	12	**1,968,504**	–
Deferred tax liabilities		**2,153,051**	1,080,000
		4,121,555	1,080,000
Total liabilities		**135,470,237**	54,637,989
NET ASSETS		**196,272,902**	163,260,969
Capital and reserves attributable to owners of the Company			
Share capital		**55,675,000**	55,675,000
Reserves		**140,597,902**	107,585,969
TOTAL EQUITY		**196,272,902**	163,260,969

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 2012

Amendments to HKFRS 1	Severe Hyper Inflation and Removal of Fixed Dates for First-time Adopters
Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets

The adoption of these new/revised standards and interpretations has no significant impact on the Group's financial statements.

(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.

HKFRSs (Amendments)	Annual Improvements 2009-2011 Cycle[2]
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income[1]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[3]
Amendments to HKFRS 7	Offsetting Financial Assets and Financial Liabilities[2]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 13	Fair Value Measurement[2]
HKAS 27 (2011)	Separate Financial Statements[2]

[1] *Effective for annual periods beginning on or after 1 July 2012*
[2] *Effective for annual periods beginning on or after 1 January 2013*
[3] *Effective for annual periods beginning on or after 1 January 2014*
[4] *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 pharmaceutical products.

(b) Geographical information and major customers

In 2012 and 2011, the Group's revenue from external customers is derived solely from its operations in the PRC, where all its non-current assets are located other than the convertible note receivables and deferred tax assets.

Revenues from one customer of the Group amounted to HK$53,685,000 (2011: HK$42,569,000) which represent 20% or more of the Group's revenue.

5. OTHER REVENUE, GAINS AND (LOSSES)

	2012	2011
	HK$	*HK$*
Interest income from bank deposits	**1,424,224**	1,005,132
Interest income on a convertible note receivable	**–**	450,020
Reversal of impairment loss of trade and other receivables	**–**	284,052
Reversal of accruals and other payables	**6,102**	43,418
Impairment on deposits and prepayments	**–**	(781,700)
Government grants *(Note)*	**996,923**	–
Others	**130**	125,195
	2,427,379	1,126,117

Note:

The Group received an interest subsidy from the Zhuhai Finance Bureau（珠海市財政局）for a loan obtained for the purpose of new product development. The interest incurred for this loan of HK$1,701,743 has been charged to profit or loss.

6. PROFIT BEFORE INCOME TAX EXPENSE

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

	2012	2011
	HK$	*HK$*
Cost of inventories recognised as expenses	**23,563,134**	20,277,655
Staff costs excluding directors' remuneration:–		
Salaries and other benefits	**20,060,468**	16,520,523
Pension fund contributions	**1,175,509**	918,155
Depreciation of property, plant and equipment	**987,092**	920,809
Exchange gain, net	**(413,856)**	(1,558,400)
Amortisation of other intangible assets	**123,077**	120,613
Amortisation of land use rights	**163,079**	159,814
Auditor's remuneration:–		
Current year	**532,923**	400,000
Under provision for last year	**70,000**	47,456
	602,923	447,456
Research and development costs expensed:		
As incurred	**6,516,541**	4,264,005
Impaired	**4,479,686**	3,615,378
	10,996,227	7,879,383

7. INCOME TAX EXPENSE

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

	2012	2011
	HK$	*HK$*
Current tax – the PRC		
– Provision for the year	**7,932,993**	8,217,960
Deferred tax	**2,722,909**	(1,293,154)
	10,655,902	6,924,806

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

In accordance with the new law on PRC Enterprise Income Tax approved on 16 March 2008, an unified enterprise income tax rate of 25% should 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 Group's major operating subsidiary in Zhuhai, the PRC, was established and carries on business in the Special Economic Zones of the PRC as a high technology enterprises. This subsidiary has 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% up to 31 December 2013.

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

	2012	2011
	HK$	*HK$*
Profit before income tax expense	**49,651,038**	40,127,434
Tax calculated at Hong Kong profits tax rate of 16.5% (2011: 16.5%)	**8,192,421**	6,621,027
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(854,173)**	(749,681)
Tax effect of expenses not deductible for tax purposes	**96,322**	246,601
Tax effect of revenue not taxable for tax purposes	**(24,085)**	(365,506)
Tax effect of tax loss not recognised	**1,335,539**	1,575,278
Tax benefits	**(829,001)**	(713,769)
Withholding tax arising from undistributed profits of a subsidiary in PRC	**2,153,846**	–
Others	**585,033**	310,856
Income tax expense	**10,655,902**	6,924,806

8. DIVIDENDS

	2012	2011
	HK$	*HK$*
Final, proposed – HK$0.01 (2011: HK$0.012) per share	**5,567,500**	6,681,000

The directors propose a final dividend of HK$0.01 (2011: HK$0.012) per ordinary share to be paid. The amount of proposed final dividend for 2012 is based on 556,750,000 shares (2011: 556,750,000) issued as at 31 December 2012. 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 2013.

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

	2012	2011
	HK$	*HK$*
Earnings for the purposes of basic and diluted earnings per share	**38,995,136**	33,202,628

The denominator used for earnings per share is the number of ordinary shares of 556,750,000 (2011: 556,750,000) in issue during the years.

There was no potential ordinary share in issue for the years ended 31 December 2012 and 2011. Accordingly, the diluted earnings per share is presented as the same basic earnings per share for both years.

10. DEPOSITS AND PREPAYMENTS

	2012	2011
	HK$	*HK$*
Deposits	**574,359**	521,738
Prepayments	**753,713**	22,782,176
Total	**1,328,072**	23,303,914
Included in current assets	**(1,328,072)**	(2,185,668)
	–	21,118,246

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

In 2011, prepayments of the Group mainly represented costs of construction in progress and purchase of machineries prepaid.

11. TRADE AND OTHER RECEIVABLES

	2012	2011
	HK$	*HK$*
Trade receivables	**91,786,207**	74,171,808
Less: provision for impairment	**–**	–
Trade receivables – net	**91,786,207**	74,171,808
Other receivables	**1,427,410**	415,224
Total	**93,213,617**	74,587,032

(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:

	2012	2011
	HK$	*HK$*
At beginning of year	**–**	278,064
Reversal of allowance	**–**	(284,052)
Exchange adjustment	**–**	5,988
At end of year	**–**	–

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 2012 (2011: Nil).

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:

	2012	2011
	HK$	*HK$*
0 – 60 days	**54,100,486**	44,100,044
61 – 90 days	**16,385,468**	14,337,157
> 90 days	**21,300,253**	15,734,607
	91,786,207	74,171,808

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

	2012	2011
	HK$	*HK$*
Not past due	**70,485,954**	58,437,200
Less than 3 months past due	**21,300,253**	15,734,608
	91,786,207	74,171,808

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

	2012	2011
	HK$	*HK$*
Non-current liabilities		
Other payables *(Note i)*	**1,968,504**	–
Current liabilities		
Trade payables	**186,661**	349,520
Other payables *(Note ii)*	**10,225,959**	12,075,297
Accruals *(Note ii)*	**40,885,850**	32,387,861
VAT payable *(Note iii)*	**4,548,158**	5,556,418
	55,846,628	50,369,096
	57,815,132	50,369,096

Notes:

(i) It represents a government subsidy to the research and development projects and business expansion of a subsidiary. The subsidy will be recognised in the profit or loss when the subsidiary in the PRC fulfilled the condition in 2014.

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

(iii) 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.

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

	2012	2011
	HK$	*HK$*
0 – 60 days	**182,925**	349,520
61 – 90 days	**960**	–
> 90 days	**2,776**	–
	186,661	349,520

MANAGEMENT DISCUSSION AND ANALYSIS

The year 2012 was a very eventful year for the Group. The furnishings of the new factory in the PRC was completed in late 2012. The back office operation of the Group in China has been relocated to the new factory premises in January 2013. We are in the process of commissioning the production facilities to achieve specifications of all the original equipment manufacturers and obtaining Good Manufacturing Practice ("GMP") certification under the regulatory requirements of the State Food and Drug Administration ("SFDA") of the PRC. Such works are targeted for completion by the end of 2013. The new factory offers a total manufacturing floor area of approximately 20,000 sq.m., representing an increase of approximately 15,000 sq.m. over that of the previous factory premises. The additional space and facilities at the new factory will allow for 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.

BUSINESS REVIEW AND PROSPECTS

During the year under review, the Group focused primarily on manufacturing and selling 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 ended 31 December 2012 increased by 25.6% to approximately HK$267.3 million (2011: HK$212.7 million), primarily driven by revenue growth from our flagship biopharmaceutical products, Beifushu and Beifuji. The year-on-year revenue growth is a proof of our strong distribution network and the clinical proven efficacy of the products.

The Group's years of relentless efforts and investments in market cultivation and, in particular, the search for new clinical applications of the products, have enabled the Group to gain stronger foothold for sustainable growth prospects.

MARKET DEVELOPMENT

The Group established both a direct and indirect sales and distribution network in the PRC. Currently, the Group has a total of 28 regional sales offices ("RSOs") throughout major cities and provinces in the PRC. Sales staff is primarily seconded from or employed by head office to RSOs to directly market our products in the relevant regions. With the RSOs, the Group is able to effectively promote its products to hospitals and various medical practitioners. In addition, it enables real-time monitoring of clinical and sales results.

The Group's flagship pharmaceutical products are being prescribed by around 2,000 hospitals in major cities and provinces in the PRC.

To cultivate wider market coverage for reaching out to potential patients of the Group's biopharmaceutical products, the Group has conducted and/or participated in over 210 seminars and 635 market promotion activities in major cities and provinces in the PRC during the year under review, educating and briefing more than 62,000 doctors and medical practitioners on the clinical applications of the Group's products.

RESEARCH AND DEVELOPMENT

The Group's technology platform is built upon the recombinant of DNA ("rDNA"), in particular, the basic fibroblast growth factor ("bFGF"). Proliferating new products by employing the proprietary technique on bFGF for new application and higher quality standards for maintaining the Group's leading position in the field.

The Group has been making relentless efforts and investments in creating a portfolio of eye care and treatment products, amongst others. It is the Group's aim to become a key player in the eye care and treatment arena in the PRC in years to come.

Five patents related to the use of bFGF were granted to the Group during the year under review.

FINANCIAL REVIEW

During the year ended 31 December 2012, the Group maintained its continuous growth, with a turnover for the year ended 31 December 2012 reaching approximately HK$267.3 million, representing an increase of 25.6% as compared with approximately HK$212.7 million in the preceding year.

Overall gross profit for the year ended 31 December 2012 increased by approximately 26.6% to approximately HK$243.7 million when compared to approximately HK$192.4 million recorded in the preceding year.

Profit attributable to the owners of the Company for the year ended 31 December 2012 increased by 17.4% to approximately HK$39.0 million as compared to approximately HK$33.2 million in the preceding year.

Distribution and selling expenses increased to approximately HK$168.0 million for the year ended 31 December 2012 when compared to approximately HK$133.6 million recorded in the preceding year, including higher expenses incurred in sales, marketing and promotional activities in support of the expansion of biopharmaceutical business.

Administrative expenses rose by 34.5% to approximately HK$26.8 million in the year ended 31 December 2012 when compared to approximately HK$19.9 million recorded in the year ended 31 December 2011. The increase was in line with 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$11.0 million in 2012 as compared to approximately HK$7.9 million in 2011.

The Group had cash and cash equivalents of approximately HK$59.8 million as at 31 December 2012 (2011: HK$36.8 million). 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. It was released before the end of 2012.

The Group obtained bank loans of RMB60 million (equivalent to approximately HK$73.8 million) at prevailing interest rate. The financing from bank was mainly for the purpose of acquiring new plant and machinery as well as providing general working capital to the Group. RMB30 million of these borrowings were unsecured and repayable within one year. The remaining RMB30 million were secured by certain assets of the Group's subsidiary with carrying value of HK$107.1 million as at 31 December 2012. The total finance costs of the Group for the year ended 31 December 2012 were HK$3.0 million, from which HK$1.3 million was capitalised in construction in progress and HK$1.7 million was charged to profit or loss during the year.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

We are in the process of commissioning the production facilities in the new factory to achieve specifications of all the original equipment manufacturers and obtaining GMP certification under the regulatory requirements of the SFDA of the PRC. Such works are targeted for completion by end of 2013.

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

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2012, the Group had cash and cash equivalents of approximately HK$59.8 million as compared to approximately HK$36.8 million as at 31 December 2011.

The Group had no pledged bank deposits as at 31 December 2012. 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. It was released before the end of 2012.

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 include 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 2012 was 36.6% (2011: 8.3%).

CHARGES ON GROUP ASSETS

As at 31 December 2012, the Group's certain assets with carrying amount in aggregate of approximately HK$107.1 million were pledged to secure its bank facility.

COMMITMENTS

As at 31 December 2012, the Group had contracted capital commitments of approximately HK$16.4 million (2011: HK$20.8 million).

CONTINGENT LIABILITIES

As at 31 December 2012, the Group did not have any significant contingent liabilities (2011: Nil).

FOREIGN EXCHANGE EXPOSURE

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

TREASURY POLICY

The Group generally financed its operations with internally generated cash flows, bank and other borrowings. The Group placed these resources into interest-bearing bank accounts opened with 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 2012, the Group had a total of 409 full-time employees. The aggregate remuneration of the Group's employees, including that of the Directors, for the year under review and the preceding year amounted to approximately HK$24.4 million and approximately HK$20.6 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 depending on the financial performance of the Group. Details of the share option scheme of the Company are disclosed in note 33 to the financial statements in the 2012 annual report.

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 accounts 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 HK$0.01 per share for the financial year ended 31 December 2012 to the shareholders of the Company whose names appear on the register of members of the Company on Wednesday, 15 May 2013. The final dividend will be payable on 27 May 2013.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 30 April 2013 to Friday, 3 May 2013, both days inclusive, for ascertaining shareholders' right to attend and vote at the forthcoming annual general meeting to be held on Friday, 3 May 2013. 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, 29 April 2013.

The register of members of the Company will be closed from Monday, 13 May 2013 to Wednesday, 15 May 2013 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 Friday, 3 May 2013, 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, 10 May 2013.

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 (effective up to 31 March 2012) and the Corporate Governance Code (effective from 1 April 2012) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, throughout the financial year ended 31 December 2012.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's results for the year ended 31 December 2012 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 2012. 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 2012 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
22 March 2013

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.