

[Press Release]



## **Announcement Of Discovery And Filing Of U.S. Patent For Novel Anti-Fibrosis and Anti-Cancer Substance FIBROSCUTUM**

[3 Jul 2003] **LifeTec Group Limited** (“LifeTec” or the “Company” or the “Group”, HKEX Stock Code: 1180) announced the discovery of a novel anti-fibrosis and anti-cancer substance Fibroscutum by the City University of Hong Kong (“City U”) research team commissioned by the Company in conjunction with a prominent professor at the University of Hong Kong (“HKU”). The discovery is considered by the researchers as breakthrough in the area of anti-fibrosis medicine. The research project, led by Professor Michael Yang of City U and co-investigated by Professor Hsiang-Fu Kung of HKU, has discovered a potential new therapeutic compound from the research and experiments based on Wei Jia, an existing Class I drug in China owned by LifeTec. The newly discovered compound is named Fibroscutum, which has proven to have the effect of suppressing fibrosis and tumor cell growth of the liver. The findings promise the development of a significantly new class of drug candidates for cirrhosis and liver cancer.

LifeTec has already filed a provisional patent in the United States for the anti-fibrotic and anti-cancer functions of Fibroscutum. The patent also includes the production process of Fibroscutum known to date. Applications for the same patent in China and other parts of the world will be filed in due course.

A press conference has been held at City U today to announce the research findings. The City U research team conducted the cell proliferation assay by using MTT and MTS assays respectively to evaluate Fibroscutum’s inhibiting property on the liver cancer cells HepG2. The results were encouraging – Fibroscutum inhibited the growth of HepG2 cells up to 40%. The suppressive effect is found to be dose-dependent on Fibroscutum. Laboratory tests by City U also confirmed Fibroscutum’s inhibitive properties on fibrosis through observation of the suppressive effect on fibroblast cells. It is known that effective anti-fibrosis drugs are rare in the market. The newly found anti-fibrosis and anti-tumour properties of Fibroscutum would offer substantial opportunities to LifeTec for developing Fibroscutum as a new

generation anti-fibrosis and/or anti-cancer drug. Since cirrhosis is a transition route to liver cancer, the potential use of Fibroscutum as a prophylactic drug is huge.

LifeTec is now evaluating the feasibility of conducting further pre-clinical studies of Fibroscutum and will file the application for clinical trial of Fibroscutum as a new drug if the results of further studies are consistent with the current findings. Fibroscutum could be one of the very few effective anti-fibrosis and anti-cancer drugs with no significant side effects. The world market for cirrhosis and liver cancer is estimated to be several billion U.S. dollars. On the other hand, the newly discovered properties contained in Fibroscutum is also contained in Wei Jia. This will help to stimulate the demand and sales of Wei Jia in the immediate future.

Mr. Jay Chun, Chairman of LifeTec, commented, “ I would like to congratulate and pay tribute to the outstanding research efforts of Professor Yang and his City U team. The filing of U.S. patent for Fibroscutum will form the foundation for future collaboration with international biopharmaceutical enterprises in the development and clinical trials of Fibroscutum in overseas countries. The findings will open up a new horizon for LifeTec in the areas of cirrhosis and cancer treatment that will certainly benefit patients in the future.”

## About LifeTec

LifeTec is a Hong Kong listed company (stock code 1180) engaged in the development, manufacture and sale of innovative biopharmaceutical products based on original technology. LifeTec holds the administrative protection for the new generation hepatitis drug Wei Jia.

With 120 million hepatitis B carriers, China is the world's largest market for hepatitis drug. LifeTec targets the 5 million severe hepatitis patients in China and aims to capture 20% of this US\$1.6 billion market. LifeTec has set up a nationwide distribution network covering all regions in China. Since the commercial launch of Wei Jia in mid 2001, the number of hospitals adopting Wei Jia has been soaring. Currently Wei Jia is adopted by over 500 hospitals and the number of user hospital is expected to grow to 1,000 by end of 2003. The new GMP production line in Weihai, Shandong Province has commenced production in Aug 2002. The production line has an annual production capacity of 20 million vials of Wei Jia per annum.

In addition to liver drugs, LifeTec has also been exploring opportunities in new drugs. LifeTec has acquired two new drug projects in Dec 2002, namely the augmentor for liver regeneration ("ALR") and new generation antiseptic Pazufloxacin. ALR is a revolutionary gene therapy for liver disease including liver cancer and cirrhosis. The Gene Therapy Research Center of the Institute of Infectious Diseases of The Peoples' Liberation Army is the technical partner in the ALR project. At the same time, the Company is developing the recombinant DNA version of Wei Jia. This new version of Wei Jia would be more efficacious and more flexible in delivery.

LifeTec has well-equipped laboratory facilities in Shanghai and Weihai. The scientific advisory board of LifeTec consists of top hepatitis experts and renowned scientists in China. LifeTec also has close collaboration with leading medical research institutions in China and overseas. The Company has been holding active dialogues with prominent biopharmaceutical enterprises in Asia, U.S. and China to explore the possibility of forming strategic alliances in areas like marketing, joint product development and strategic investments.

"Biotechnology – from life and for life" is LifeTec's corporate motto which signifies management's dedication to apply biotechnology for the well-being of mankind.

## **Inventors For Fibroscutum:**

### **Prof. Michael Yang**

Professor Yang is the Professor of Biology and Chemistry Department of the City University of Hong Kong. He was the Director of the Applied Research Centre for Genomic Technology (“ACGT”) in City University of Hong Kong. Professor Yang, has over 15 years of experience in analytical chemistry, biochemistry, and molecular biology. He has published over 60 peer-reviewed papers, 70 technical presentations, and holds 10 China and U.S. patents.

### **Prof. Hsiang-Fu. Kung**

Professor Kung is a member of the Chinese Academy of Sciences and the Director and Chair Professor of Institute of Molecular Biology (“IMB”) of the University of Hong Kong. He has extensive experience in drug discovery and development. Professor Kung has published over 200 peer-reviewed papers and was pivotal in the development of the first anti-hepatitis protein drug interferon-alpha.

### **Dr. Tracy Zhang**

Dr. Tracy Zhang obtained her MD and PhD degrees from West China University of Medical Sciences. She completed her post-doctoral training in cell biology and molecular biology in University of Toronto and Harvard University from 1995 to 1999. She worked as a research scientist in University of California at San Francisco during 1999-2001, investigating novel therapeutics for atherosclerosis and tumor. She joined City University of Hong Kong as a senior research scientist in the Applied Research Centre for Genomics Technology, leading R&D projects on the development of protein and traditional Chinese medicine based drugs for cancers, liver diseases, and osteoporosis.

### **Celina Cheng**

Ms. Cheng received a Master Degree from the Columbia University, New York, USA and earned her Bachelor of Sciences degree at the University of California, Berkeley, USA. She was the Technology Development Coordinator, ALZA Corporation, a Johnsons and Johnsons Company and the Technical Support Specialist and Licensing Coordinator at the califonia based Santa Cruz Biotechnology.

## **About Fibrosis**

Fibrosis is the production of fibrous connective tissue as a consequence of chronic inflammation or healing. Fibrosis is the process that replaces lost parenchymal tissue, resulting in scar formation. Fibrosis may occur in different organs including liver, lungs and heart.

## **About Cirrhosis**

Cirrhosis is an irreversible result of various disorders that damage liver cells over time. Eventually, damage becomes so extensive that the normal structure of the liver is distorted and its function is impaired. The main damage in cirrhosis is triggered by scarring (fibrosis) that occurs from injuries due to alcohol, viruses, or other assaults. Normal clumps and nodules form around the scarred areas. The scar tissue and regenerated nodules act like small dams and alter the flow of blood in and out of the liver. In many parts of Asia and Africa, cirrhosis resulting from chronic hepatitis B is a major cause of death.

## **About Liver Cancer**

Liver cancer is one of the top three causes of death by cancer in most of Asia, the Pacific, and sub-Saharan Africa, and at least 80% of liver cancer is caused by HBV. An estimated 550,000 people each year die of liver cancer. About 360,000 deaths each year are from countries in Eastern Asia alone (China, Hong Kong, Japan, Korea). People with chronic hepatitis B virus infection who became chronically infected have a high chance of developing cirrhosis and liver cancer eventually. According to published statistics, approximately 100 million of the 400 million chronic HBV infected people in the world will eventually die from cirrhosis or liver cancer. In addition, the risk of liver cancer is estimated to be 20 to 100 times greater for people who have chronic hepatitis B or C infection than for the general population.

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