

Preliminary Final Report of SciGen Limited for the Twelve Months Ended 31 December 2007

(ABRN 101 318 852)

*This Preliminary Final Report is provided to the Australian Stock Exchange (ASX)
under ASX Listing Rule 4.3A.*

Current Reporting Period: Twelve months ended 31 December 2007

Previous Corresponding Period: Six months ended 31 December 2006

SCIGEN LIMITED

APPENDIX 4E – PRELIMINARY FINAL REPORT

Results For Announcement To The Market For the Twelve Months Ended 31 DECEMBER 2007

Revenue and Net (Loss) /Profit

The Company's financial year end had been changed to 31 December in the last financial year. Consequently this reporting period is for 12 months. The table below allows a comparison of the business performance for the 12 months ended 31 December 2007 with the 12 months ended 31 December 2006.

| | Current financial period | Previous financial period | | |
|--|--------------------------------|------------------------------|-------------------|-------------------|
| | 12 Months ended | 12 Months ended | 6 Months ended | 6 Months ended |
| | 31/12/07 | 31/12/06 | 31/12/06 | 30/06/06 |
| Revenue from ordinary activities | 8,443,416.24 | 6,150,043.97 | 3,145,442.97 | 3,004,601.00 |
| (Loss)/profit from ordinary activities after tax attributable to members | (3,935,914.29) | (2,199,543.50) | 304,653.33 | (2,504,196.83) |
| Net (loss)/profit for the period attributable to members | (3,935,914.29) | (2,199,543.50) | 304,653.33 | (2,504,196.83) |

All the following analysis is calculated by comparing the 12 months ended 31 December 2007 with 12 months ended 31 December 2006:

| | | Percentage Change % | | Amount US\$ '000 |
|---|----|---------------------------|----|---------------------|
| Revenue from ordinary activities | Up | 37.3% | To | 8,443 |
| Loss from ordinary activities after tax attributable to members | Up | 78.9% | To | (3,936) |
| Net loss for the period attributable to members | Up | 78.9% | To | (3,936) |

Revenue

Revenue continues to increase year on year as the Company continues to establish itself and its products in its markets.

Net Loss

Net loss was higher than last year as it benefited from a one off income of US\$1.8m in relation to a loan waiver. Additionally the interest charge continues to rise as a result of expenditure for the construction of the facilities in Israel, India & China.

Dividend

The Company does not propose any dividend for the year.

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Consolidated Income Statement For the Twelve Months Ended 31 December 2007

| | | 12 Months Ended 31 December 2007 | 6 Months Ended 31 December 2006 |
|---|-------------|---|--|
| | <u>Note</u> | <u>US\$ '000</u> | <u>US\$ '000</u> |
| Revenue from ordinary activities | 2(a) | 8,444 | 3,146 |
| Other income (net) | | 741 | 2,055 |
| Changes in inventories | | 213 | (322) |
| Purchases | | (4,237) | (683) |
| Employee benefits expense | | (3,899) | (1,691) |
| Depreciation & amortization expenses | | (318) | (169) |
| Borrowing costs | | (2,174) | (578) |
| Professional & consultancy fees | | (986) | (351) |
| Business development expenses | | (2,237) | (899) |
| Insurance premiums | | (198) | (98) |
| Rental expenses | | (335) | (269) |
| Administrative expenses | | (467) | (700) |
| Other expenses from ordinary activities | | 1,469 | 729 |
| (Loss)/Profit From Ordinary Activities Before Income Tax Expense | | (3,984) | 170 |
| Income tax expense relating to ordinary activities | | (79) | (3) |
| (Loss)/Profit From Ordinary Activities After Related Income Tax | | (4,063) | 167 |
| Minority Interest | | 104 | 138 |
| Total Changes in Equity not resulting from transactions with owners as owners | | (3,959) | 305 |
| Earnings per security (EPS) | | | |
| | | (US ¢) | (US ¢) |
| Basic EPS | 8 | (0.0072) | 0.0006 |
| Diluted EPS | 8 | (0.0069) | 0.0006 |

The above consolidated income statement should be read in conjunction with the accompanying notes, the Report and Financial Statements for the twelve months ended 31 December 2007, and any public announcements made by SciGen Ltd in accordance with the continuous disclosure requirements.

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Consolidated Balance Sheet As At 31 December 2007

| | <u>Note</u> | <u>As At 31 December 2007 US\$ '000</u> | <u>As At 31 December 2006 US\$ '000</u> |
|--------------------------------------|-------------|---|---|
| Current Assets | | | |
| Cash Assets | | 4,906 | 6,614 |
| Receivables | | 4,964 | 3,776 |
| Inventories | | 1,512 | 531 |
| Total Current Assets | | 11,382 | 10,921 |
| Non-Current Assets | | | |
| Property, plant & equipment | | 37,693 | 18,961 |
| Intangibles | 4 | 25,539 | 19,804 |
| Lease prepayments | | 1,257 | - |
| Long-term prepayments | | 193 | - |
| Deferred tax assets | | 52 | - |
| Total Non-Current Assets | | 64,734 | 38,765 |
| Total Assets | | 76,116 | 49,686 |
| Current Liabilities | | | |
| Payables | | 7,928 | 3,831 |
| Total Current Liabilities | | 7,928 | 3,831 |
| Non-Current Liabilities | | | |
| Payables | | 2,490 | 549 |
| Interest bearing liabilities | | 43,953 | 23,697 |
| Total Non-Current Liabilities | | 46,443 | 24,246 |
| Total Liabilities | | 54,371 | 28,077 |
| Net Assets | | 21,745 | 21,609 |
| Equity | | | |
| Share capital | 5 | 42,530 | 42,530 |
| Reserves | 6 | 2,299 | (65) |
| Accumulated losses | 7 | (26,258) | (22,299) |
| | | 18,571 | 20,166 |
| Minority Interest | | 3,174 | 1,443 |
| Total Equity | | 21,745 | 21,609 |

The above consolidated balance sheet should be read in conjunction with the accompanying notes, the Report, the Financial Statements for the twelve months ended 31 December 2007, and any public announcements made by SciGen Ltd in accordance with the continuous disclosure requirements.

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Consolidated Statement of Changes in Equity
As at 31 December 2007

| | Share capital | Foreign currency translation reserve | Share option reserves | Accumulated losses | Sub-total | Minority interest | Total |
|---|------------------|---|-----------------------------|-----------------------|-----------|----------------------|----------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance at 1 July 2006, as previously reported in S\$ | 65,220 | (233) | 180 | (34,678) | 30,489 | - | 30,489 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Balance at 1 July 2006, restated in US\$ | 42,530 | (152) | 118 | (21,712) | 20,784 | - | 20,784 |
| Exchange difference arising from the translation of financial statements from S\$ (functional currency) into US\$ (presentation currency) | - | - | - | (892) | (892) | 50 | (842) |
| Exchange difference arising on consolidation of foreign subsidiary | - | (110) | - | - | (110) | - | (110) |
| Net losses recognized directly in equity | - | (110) | - | (892) | (1,002) | 50 | (952) |
| Net loss for the period | - | - | - | 305 | 305 | (138) | 167 |
| Total recognized expense for the period | - | (110) | - | (587) | (697) | (88) | (785) |
| Contribution by minority interest of a subsidiary | - | - | - | - | - | 1,531 | 1,531 |
| Share-based payment | - | - | 79 | - | 79 | - | 79 |
| Balance at 31 December 2006 | 42,530 | (262) | 197 | (22,299) | 20,166 | 1,443 | 21,609 |

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Consolidated Statement of Changes in Equity
As at 31 December 2007

| | Share capital | Foreign currency translation reserve | Share option reserves | Accumulated losses | Sub-total | Minority interest | Total |
|--|------------------|---|-----------------------------|-----------------------|-----------|----------------------|----------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance at 1 January 2007, as previously reported in S\$ | 65,220 | (401) | 301 | (34,196) | 30,924 | 2,213 | 33,137 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Balance at 1 January 2007, as restated in US\$ | 42,530 | (262) | 197 | (22,299) | 20,166 | 1,443 | 21,609 |
| Exchange difference arising on consolidation of foreign subsidiaries | - | 1,647 | - | - | 1,647 | - | 1,647 |
| Net loss for the year | - | - | - | (3,959) | (3,959) | (104) | (4,063) |
| Total recognized expense and income for the year | - | 1,647 | - | (3,959) | (2,312) | (104) | (2,416) |
| Contribution by minority shareholders of a subsidiary | - | - | - | - | - | 1,835 | 1,835 |
| Share-based payment | - | - | 717 | - | 717 | - | 717 |
| Balance at 31 December 2007 | 42,530 | 1,385 | 914 | (26,258) | 18,571 | 3,174 | 21,745 |

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Consolidated Statement of Cash Flows
For the Twelve Months Ended 31 December 2007

| | 12 Months to 31 December 2007 <u>US\$ '000</u> | 6 Months to 31 December 2006 <u>US\$ '000</u> |
|---|---|--|
| Cash Flows from Operating Activities | | |
| (Loss)/profit after income taxes | (4,063) | 167 |
| Adjustments for: | 2,592 | (1,385) |
| Depreciation of property, plant and equipment | 105 | 88 |
| Amortization of intangible assets | 172 | 81 |
| Amortization of lease prepayments | 42 | - |
| Loss on disposal of plant and equipment | 71 | 2 |
| Negative goodwill | 63 | (2,059) |
| Interest income | (831) | (157) |
| Interest expense | 2,174 | 578 |
| Share options expense | 717 | 79 |
| Income tax expense | 79 | 3 |
| Operating loss before working capital changes | (1,471) | (1,218) |
| (Increase)/Decrease in working capital | | |
| Inventories | (981) | 217 |
| Other receivables | (1,347) | (1,756) |
| Trade receivables | (70) | 94 |
| Payables and accruals | 6,293 | (2,547) |
| Cash generated from/(used in) operations | 2,424 | (5,210) |
| Income taxes paid | (79) | (3) |
| Net cash inflow/(outflow) from operating activities | 2,345 | (5,213) |
| Cash Flows from Investing Activities | | |
| Interest received | 123 | 157 |
| Purchase of property, plant & equipment | (20,161) | (4,371) |
| Purchase of intangible assets | (5,906) | (1,697) |
| Purchase of land use rights | (45) | - |
| Acquisition of subsidiary | (51) | 158 |
| Net cash outflow from investing activities | (26,040) | (5,753) |
| Cash Flows from Financing Activities | | |
| Interest paid | - | (46) |
| Repayment of loans and borrowings | - | (5,767) |
| Capital contribution by minority interests of a subsidiary | 1,835 | 439 |
| Loans from ultimate holding company | 20,240 | 19,407 |
| Advances to a corporation | - | (513) |
| Net cash inflow from financing activities | 22,075 | 13,520 |
| Net (decrease)/increase in cash and cash equivalents | (1,620) | 2,554 |
| Cash and cash equivalents at beginning of the year/period | 6,614 | 4,354 |
| Translation difference in cash and cash equivalents | (88) | (294) |
| Cash and cash equivalents at end of the year/period | 4,906 | 6,614 |

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Consolidated Statement of Cash Flows
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The above consolidated cash flow should be read in conjunction with the accompanying notes, the Report and Financial Statements for the twelve months ended 31 December 2007, and any public announcements made by SciGen Ltd in accordance with the continuous disclosure requirements.

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Notes to the Consolidated Financial Statements For the Twelve Months Ended 31 December 2007

1. **BASIS OF PREPARATION**
2. **(LOSS)/PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX**
3. **COMMENTARY ON RESULTS**
4. **INTANGIBLES**
5. **CONTRIBUTED EQUITY**
6. **RESERVES**
7. **ACCUMULATED LOSSES**
8. **(LOSS)/PROFIT PER SHARE**
9. **NET TANGIBLE (LIABILITIES)/ASSETS PER SHARE**
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11. **OTHER SIGNIFICANT INFORMATION**
12. **INFORMATION ON AUDIT OR REVIEW**

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Notes to the Consolidated Financial Statements For the Twelve Months Ended 31 December 2007

1. Basis of Preparation

This preliminary final report has been prepared in accordance with Singapore Financial Reporting Standards.

The accounting policies adopted are consistent with those of the previous financial period and the corresponding interim reporting period.

The preliminary final report is presented in United States dollars, which is the functional currency of the Company.

United States Dollars Presentation

Transactions in foreign currencies during the financial year are converted into United States dollars at the rates of exchange prevailing at the transaction dates. Foreign currency monetary assets and liabilities are translated into United States dollars at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are taken into the consolidated income statement.

For the purpose of the consolidation of foreign subsidiaries, whose operations are an integral part of the Company's operations, the foreign subsidiaries' balance sheet and profit and loss are translated as follows:-

- Assets, liabilities and contributed equity are translated using closing rates at reporting date;
- Income and expenses are translated using the actual or average rates;
- Retained profits or losses are translated at cumulative average rates; and
- Exchange differences are recognised as a separate component of equity (translation reserve).

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2. (Loss)/Profit from Ordinary Activities Before Income Tax

| | 12 Months Ended 31 December 2007 <u>US\$ '000</u> | 6 Months Ended 31 December 2006 <u>US\$ '000</u> |
|--|---|--|
| (Loss)/Profit from ordinary activities before income tax includes the following items of revenue and expenses: | | |
| (a) Revenue | | |
| Revenue from operating activities | | |
| Sales of goods | 8,321 | 2,989 |
| Revenue from outside the operating activities | | |
| Interest Income | 123 | 157 |
| Revenue from ordinary activities | 8,444 | 3,146 |
| | | |
| (b) Other Income | | |
| Negative goodwill | (63) | 2,059 |
| Others | - | (4) |
| Deemed interest on non-current payables | 708 | - |
| | 645 | 2,055 |
| | | |
| (c) Expenses | | |
| Expenses include: | | |
| Cost of good sold | 4,024 | 1,005 |
| Loss on disposal of property, plant and equipment | 71 | 2 |
| Bad & doubtful trade debts | 2 | 1 |
| Net foreign exchange gain | (2,242) | (818) |

The cost of the licence rights are amortised and charged to the statement of financial performance over the estimated period of right of use, which range from 8 to 20 years.

The amortisation commences from the date the product is marketed, following the successful registration of the products in any country according to the licence agreements.

3. Commentary on Results

The Company's activities during the year continued to focus on collaborative research & development of biotechnology derived pharmaceutical products and the registration, marketing and sales of biopharmaceutical products – namely recombinant Human Growth Hormone (SciTropin™), SciGen's 3rd generation hepatitis B vaccine (Sci-B-Vac™) & recombinant Human Insulin (SciLin™).

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Year on year revenue increased due to higher sales in Australia, India, Thailand & Vietnam.

During the period, registration of products was granted in the following regions (show by ✓).

| Country | SciTropin (BTG) | SciTropin (Sandoz) | Sci-B-Vac | SciLin |
|-------------|-------------------------|--------------------|------------|------------|
| Australia | Registered ^a | Registered | - | - |
| Hong Kong | De-Registered | - | Registered | Registered |
| India | Registered ^b | - | Registered | Registered |
| Indonesia | - | - | - | Registered |
| Korea | Registered ^c | - | - | - |
| Pakistan | - | - | - | ✓ |
| Philippines | Registered | - | Registered | Registered |
| Singapore | Registered | - | Registered | - |
| Thailand | - | - | - | Registered |
| Vietnam | Registered ^b | - | Registered | Registered |

^a Trademark was changed to Zomacton and registration is transferred to Ferring in Australia, Philippines, and Singapore.

^b On going process for the change in trademark and after which registration shall be transferred to Ferring.

^c Registration is still under SciGen, however, after June 2009, the registration shall be transferred to Ferring.

4. Intangibles

| | <u>Licences</u> US\$ '000 | <u>Computer software</u> US\$ '000 | <u>Development costs</u> US\$ '000 | <u>Total</u> US\$ '000 |
|---|------------------------------|---------------------------------------|---------------------------------------|---------------------------|
| <u>Cost</u> | | | | |
| At 1 July 2006 | 18,934 | - | - | 18,934 |
| Additions | 1,217 | - | 428 | 1,645 |
| Reclassification from property, plant and equipment | - | 56 | - | 56 |
| Translation differences | 39 | - | 15 | 54 |
| At 31 December 2006 | 20,190 | 56 | 443 | 20,689 |
| Additions | 5,983 | 14 | 669 | 6,666 |
| Disposals/write-off | (874) | - | - | (874) |
| Reclassification to property, plant and equipment | - | - | (443) | (443) |
| As 31 December 2007 | 25,299 | 70 | 669 | 26,038 |
| <u>Accumulated amortisation</u> | | | | |
| At 1 July 2006 | 801 | - | - | 801 |
| Amortisation charge for the period | 81 | - | - | 81 |
| Translation differences | 3 | - | - | 3 |
| At 31 December 2006 | 885 | - | - | 885 |
| Amortisation charge for the year | 170 | 2 | - | 172 |
| Disposals/write-off | (558) | - | - | (558) |
| As 31 December 2007 | 497 | 2 | - | 499 |
| <u>Net Book Value</u> | | | | |
| At 1 July 2006 | 18,133 | - | - | 18,133 |
| At 31 December 2006 | 19,305 | 56 | 443 | 19,804 |
| At 31 December 2007 | 24,802 | 68 | 669 | 25,539 |

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5. Contributed Equity

| | <u>FY2007</u> <u>US\$ '000</u> | <u>FY2006</u> <u>US\$ '000</u> | <u>FY2006</u> <u>S\$ '000</u> |
|--|-----------------------------------|-----------------------------------|----------------------------------|
| As at 1 January/1 July | 42,530 | 42,530 | 65,220 |
| Issue of shares during the financial year/period | - | - | - |
| At 31 December | <u>42,530</u> | <u>42,530</u> | <u>65,220</u> |

6. Reserves

| | <u>2007</u> <u>US\$ '000</u> | <u>2006</u> <u>US\$ '000</u> |
|---|---------------------------------|---------------------------------|
| <u>Reserves</u> | | |
| <i>1. Share-based payment Reserve</i> | | |
| As at 1 January/1 July | 197 | 118 |
| Option expense | 717 | 79 |
| At 31 December 2007 | <u>914</u> | <u>197</u> |
| <i>2. Foreign currency translation Reserve</i> | | |
| As at 1 January/1 July | (262) | (152) |
| Foreign currency translation reserves movement during the year/period | 1,647 | (110) |
| At 31 December 2007 | <u>1,385</u> | <u>(262)</u> |
| Total Reserves | | |
| As at 1 January/1 July | (65) | (34) |
| As at 31 December 2007 | <u>2,299</u> | <u>(65)</u> |

7. Accumulated Losses

| | <u>12 Months</u> <u>Ended</u> <u>31 December</u> <u>2007</u> <u>US\$ '000</u> | <u>6 Months</u> <u>Ended</u> <u>31 December</u> <u>2006</u> <u>US\$ '000</u> | <u>6 Months</u> <u>Ended</u> <u>31 December</u> <u>2006</u> <u>S\$ '000</u> |
|---|---|--|---|
| Balance at beginning of financial year/period | (22,299) | (21,712) | (34,678) |
| Exchange difference arising from the translation of financial statements from S\$ (functional currency) into US\$ (presentation currency) | - | (892) | - |
| Net (loss)/profit for the year/period | (3,959) | 305 | 482 |
| Total recognized (expense)/income for the year/period | <u>(3,959)</u> | <u>(587)</u> | <u>482</u> |
| Balance at end of financial year/period | <u>(26,258)</u> | <u>(22,299)</u> | <u>(34,196)</u> |

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8. (Loss)/Profit Per Share

| | 12 Months Ended 31 December 2007 <u>US\$ '000</u> | 6 Months Ended 31 December 2006 <u>US\$ '000</u> |
|---|--|---|
| Basic and diluted earnings per share is based on: | | |
| (i) Net (loss)/profit attributable to ordinary shareholders | (3,959) | 305 |
| | Number of shares ('000) | Number of shares ('000) |
| (ii) Weighted average number of ordinary shares at end of the financial year/period | 552,270 | 552,270 |

The effect of the exercise of share options on the weighted average number of ordinary shares in issue are as follows:

| | Number of shares ('000) | Number of shares ('000) |
|--|-------------------------------------|-------------------------------------|
| Weighted average number of: | | |
| - Ordinary shares used in the calculation of basic earning per share | 552,270 | 552,270 |
| - Potential ordinary shares issuable under share options | 18,566 | - |
| Weighted average number of ordinary issued and potential shares assuming full conversion at end of the year/period | 570,836 | 552,270 |

9. Net Tangible (Liabilities)/Assets Per Share

| | 12 Months Ended 31 December 2007 <u>(US¢ per share)</u> | 6 Months Ended 31 December 2006 <u>(US¢ per share)</u> |
|---|--|---|
| Net tangible (liabilities)/assets per share | (0.68690) | 0.32677 |

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10. Segment Information

Segment Revenues

| | External Sales | | Inter-Segment | | Total | |
|----------------------------------|--|---|--|---|--|---|
| | 12 mths ended 31 Dec 2007 <u>US\$ '000</u> | 6 mths ended 31 Dec 2006 <u>US\$ '000</u> | 12 mths ended 31 Dec 2007 <u>US\$ '000</u> | 6 mths ended 31 Dec 2006 <u>US\$ '000</u> | 12 mths ended 31 Dec 2007 <u>US\$ '000</u> | 6 mths ended 31 Dec 2006 <u>US\$ '000</u> |
| <i>Singapore</i> | 265 | 202 | 1,038 | 640 | 1,303 | 842 |
| <i>Australia</i> | 3,696 | 1,448 | - | - | 3,696 | 1,448 |
| <i>India</i> | 1,552 | 271 | - | - | 1,552 | 271 |
| <i>Korea</i> | 686 | 435 | - | - | 686 | 435 |
| <i>Thailand</i> | 859 | 211 | - | - | 859 | 211 |
| <i>Others</i> | 1,263 | 422 | - | - | 1,263 | 422 |
| Total of all segments | | | | | 9,359 | 3,629 |
| Eliminations | | | | | (1,038) | (640) |
| Interest income | | | | | 123 | 157 |
| Revenue from ordinary activities | | | | | 8,444 | 3,146 |

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Segment Results

| | 12 mths ended 31 Dec 2007 <u>US\$ '000</u> | 6 mths ended 31 Dec 2006 <u>US\$ '000</u> |
|---|---|--|
| <i>Singapore</i> | 454 | 527 |
| <i>Australia</i> | 247 | 552 |
| <i>India</i> | 186 | 44 |
| <i>Korea</i> | (511) | 46 |
| <i>Thailand</i> | 110 | 25 |
| <i>Others</i> | (233) | (365) |
| Total of all segments | 253 | 829 |
| Eliminations | - | - |
| Unallocated | (4,237) | (659) |
| Profit/(Loss) from ordinary activities before income tax expenses | (3,984) | 170 |
| Income tax expense relating to ordinary activities | (79) | (3) |
| Net Profit/(Loss) for the period/year after income tax before Minority Interest | (4,063) | 167 |
| Minority Interest | 104 | 138 |
| Net Profit/(Loss) for the period / year after Minority Interest | (3,959) | 305 |

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11. Other Significant Information

Significant events that occurred during the financial year were as follows:-

a. Official opening of its Vaccine Manufacturing Facility

On 11th January 2007, SciGen Ltd announces the official opening of its vaccine manufacturing facility in Israel. This facility will be supplying SciGen's third generation hepatitis B vaccine, Sci B VacTM, to its distributors in Europe and the Asia Pacific region. Expansion of its facility is already in late stage planning and is expected to be completed by the end of 2007.

The manufacturing facility was built in close consultation with health regulatory agencies and speedy approval from the EMEA in Europe and the FDA is expected.

The opening of the manufacturing facility is a major event for SciGen and will greatly enhance SciGen's market penetration in this vaccine segment of over US\$ 1.2 billion worldwide.

b. Sci B VacTM

SciGen Ltd announces that its third generation hepatitis B vaccine, Sci B VacTM, derived from mammalian cells (CHO), has been proven to prevent recurrence of hepatitis B virus infection in patients receiving antiviral prophylaxis (Lamivudine) after liver transplantation for chronic hepatitis B.

In an investigator sponsored study at the Center for the study of Liver Disease at the University of Hong Kong and published in the American Journal of Transplantation (2007: 7: 434-439) a combination of antiviral Lamivudin with Sci B VacTM was administered to 20 patients. The response rate was 88% in patients younger than 50 years old and 25% in older patients. At the completion of the study, all patients remained free of infection.

Hepatitis B Virus (HBV) is a major world health problem. There are over 300 million chronic carriers of infection and over 1 million deaths each year are attributed to hepatitis B. The world market for the prevention and treatment of Hepatitis B virus is believed to be over US\$ 3 billion and growing.

c. Appointment of Head of Regulatory Affairs Group

Ms. Ziva Mesika, based in SciGen Israel, was appointed as Head of the Regulatory Affairs Group (RA) with effect from 16th June 2007.

Ms. Mesika, from Serono, has considerable RA experience in the Biotechnology Sector and significant exposure to health regulatory agencies in Europe, the USA and Israel. Ms. Mesika was instrumental in the worldwide approval of BetaSeron, Serono's Beta Interferon.

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APPENDIX 4E – PRELIMINARY FINAL REPORT

Notes to the Consolidated Financial Statements For the Twelve Months Ended 31 December 2007

As Head of RA, Ms. Mesika is responsible for all regulatory departments within the SciGen Group liaising with our licensors, suppliers and R & D partners on RA matters. Ms. Mesika will be a member of the Executive Committee reporting to the CEO on all aspects of RA and to the Sr. VP of Operations on matters related to operations and Israel regulatory functions.

d. Termination relationship with Ferring International

Both SciGen and Ferring agreed to terminate their distribution agreement for most of the Asia Pacific region with immediate effect. The decision to cease its distribution of Ferring International Human Growth Hormone came after a long and protracted dispute that began when Ferring acquired Biotechnology General (IL) Ltd in 2005.

SciGen will be introducing a new human growth hormone to the Asia Pacific region that is presently approved by most health regulatory agencies such as the FDA in the USA, EMEA in the EEC, Japan and other major markets.

SciGen's Chairman & CEO, Mr. Saul Mashaal announces "SciGen looks forward to re-enter the market as soon as possible, continue its commitment to this franchise and start its promotional activities in support of the new product which offers a broader list of approved indications and greater ease of administration to the patients."

In spite of this transition, SciGen has maintained sales and profit targets for FY2006 and is expected to meet revenue projections for this fiscal year ending 31 December 2007.

e. Partnership with Sandoz for Commercialisation of Human Growth Hormone

SciGen will be partnering with Sandoz GmbH of Austria, a wholly owned subsidiary of Novartis, to commercialise a recombinant Human Growth Hormone throughout the Asia Pacific region including Australia. Sandoz will supply SciGen with product manufactured in its state of the art Biotechnology manufacturing facility in Austria and SciGen will lend its expertise gained both in development and commercialisation of rHuman Growth Hormone.

12. Information on Audit or Review

This preliminary final report is based on accounts to which one of the following applies.

- | | |
|--|--|
| <input type="checkbox"/> The accounts have been audited. | <input type="checkbox"/> The accounts have been subject to review. |
| <input checked="" type="checkbox"/> The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> The accounts have not yet been audited or reviewed. |