

[For Immediate Release]



**LifeTec Announces Placing of 340 million Warrants
Further Strengthen Financial Position**

(27 January 2004, Hong Kong) - **LifeTec Group Limited** (“LifeTec” or “the Company”) (HKEX code: 1180) today announced it will place 340,000,000 warrants (“the Warrants”) to institutional and private investors with the placing price at HK\$0.078 per warrant. The subscription price per share is HK\$0.102. The aggregate of the placing price and the initial subscription price of HK\$0.180 per share represents a premium of about 0.6% over the closing price of HK\$0.179 per share on the Stock Exchange on 26 January 2004, being the last trading day before the placing and a premium of about 33.6% over the average closing prices of HK\$0.1347 per share on the Stock Exchange for the ten trading days up to and including 26 January 2004. Net proceeds of about HK\$24.5 million will be used for general working capital purpose. Kingston Securities Limited is the placing agent.

The Warrants may be exercised from the date of issue of the Warrants, which is expected to be 23 February 2004 and expiring on 26 February 2005. It is expected that dealings in the Warrants on the Stock Exchange will commence on 27 February 2004.

The shares to which the Warrants relate currently represent about 13.2% of the existing issued share capital of the Company and about 11.7% of the issued share capital of the Company as enlarged by the allotment and issue of the 340,000,000 shares to which the Warrants relate.

As at the date of the placing, Mr. Jay Chun, Chairman of LifeTec and Mr. Shan Shiyong, Executive Director of the Company, are beneficially interested in about 13.66% and 13.71% respectively of the existing issued capital of the Company. Upon exercise in full of the Subscription rights attaching to the Warrants, the beneficiary interests of Mr. Chun and Mr. Shan in the Company will be 12.0% and 12.1% respectively of the enlarged issued share capital of the Company.

Mr. Jay Chun, Chairman of LifeTec, said, “The placing of the Warrants will further strengthen our financial position and shareholder base. LifeTec will continue to focus on the development of our rich biotech portfolio and to enhance returns to our shareholders.

About LifeTec

LifeTec is a Hong Kong listed company (stock code 1180), which develops, sells and distributes biopharmaceutical products based on original technology. LifeTec owns the intellectual property, production knowhow and worldwide exclusive distributorship of the new generation hepatitis drug Wei Jia, a Category I drug approved by China's State Food and Drug Administration. The Company has a portfolio of promising biotech drug candidates under development.

With 120 million hepatitis B carriers, China is the world's largest market for hepatitis drugs. Since the commercial launch of Wei Jia in mid 2001, the number of hospitals adopting Wei Jia for hepatitis treatment soared from 85 to over 600 as at the end of 2003. The substantial growth in the number of Wei Jia's user hospitals demonstrates LifeTec's outstanding sales and marketing capability. LifeTec is also licensed to sell and distribute third parties' biopharmaceutical products through its nationwide distribution network.

For new product pipeline, LifeTec is working on recombinant human augments for liver regeneration ("rhALR") and new generation antiseptic Pazufloxacin. rhALR is a revolutionary gene therapy for various kinds of liver diseases. The Institute of Infectious Diseases of the Peoples' Liberation Army is the technical partner in the rhALR project. The Company is also developing the recombinant DNA version of Wei Jia and novel anti-fibrosis and anti-cancer compound Fibroscutum together with the City University of Hong Kong.

"Biotechnology – investing in life itself is LifeTec's corporate motto which signifies management's dedication to applying biotechnology for the well-being of mankind.