

## **LifeTec Announces Placing of 280 Million Shares**

### **Tremendous Response from Institutional Investors Achieved over 3 Times Subscription**

(Hong Kong, May 16, 2002) --- LifeTec Group Limited (“LifeTec” or the “Group”) (Stock Code: 1180) today announced a placing and subscription of shares. The response from institutional investors was overwhelming with 3 times over-subscription. A gross amount of HK\$81.2 million has been raised.

Best Top Offshore Limited ( “Best Top”), the single largest shareholder of the Group, placed 235 million issued shares at HK\$0.29 per share to institutional investors, and agreed to subscribe the same amount of shares (235M shares) at the same placing price of HK\$0.29 per share, represents approximately 16.6% of the existing issued share capital of the Group and approximately 13.9% of the enlarged issued share capital. In addition, the Group will issue and place 45 million new shares, representing about 3.2% of the issued share capital and 2.7% of the enlarged issued shares of the Group, to institutional investors at a fixed price of HK\$0.29 per share.

LifeTec, through the placing agents, Kingston Securities Limited and GC Securities Limited, placed the shares to institutional investors at a fixed price of HK\$0.29 per placing share, representing a discount of approximately 7.9% to the closing price of HK\$0.315 per share as of May 14, 2002. The total outstanding issued shares upon completion of the share placement will be increased by 19.8% to 1,695,945,946 shares. The share holding of Best Top Offshore Limited in the Group will be reduced from 16.6% to 13.9%.

The two placements were fully underwritten by the two placing agents. The share placement received 3 times over-subscription due to overwhelming interests from investors. The majority of shares were placed to well-known U.S. and European fund houses. This demonstrates their confidence in the Group’s future growth and potential.

The net proceeds from the placement is approximately HK\$78.3 million. Part

of the proceeds will be used as the Group's general working capital. The balance will be applied for the Group's investment in the existing biotech operations or the acquisition of new biopharmaceutical projects.

Mr. Jay Chun, Managing Director of LifeTec Group Limited, said, "This placement of shares aimed at meeting the Group's rapid corporate development and long-term strategic plans. I believe this share placing and subscription will broaden the shareholder base and the capital base of the Group. We will continue to focus on biotech business and operations in China and to find ways to expand it into other countries. The outlook of LifeTec in 2002 is very positive".

LifeTec Background:

LifeTec is engaged in the development, manufacture and sale of innovative original technology biopharmaceutical products. LifeTec conducts its biotech operation in China through its subsidiary, Weihai Sinogen Pharmaceutical Limited ("Sinogen"), which owns a highly acclaimed liver drug, Wei Jia. Wei Jia is a Hepatocyte Growth Promoting Factor (pHGF) for treating severe hepatitis B. The drug has been proven highly efficacious with no major side effects. Wei Jia has been granted a "Category I New Drug" status by China's State Drug Administration (SDA) and holds an exclusive license for the sale and manufacturing in the PRC.

-end-