



生命科技集團有限公司
LifeTec Group Limited
(A company listed on the Stock Exchange of Hong Kong)

PRESS RELEASE

LifeTec Reports Annual Results for Year 2001

A turning Point to a Brighter Future

- **Gross margin rose to 31.2% from 9.3% of previous year**
- **Operating Loss improved by 38.1%**
- **Biopharmaceuticals turnover signaled strong pick up from HKD0.47M to HKD11.3M**
- **Group's loss for the year dropped by 38.2%, HKD 57.3M**
- **Loss per share improves 53.8%, from last year's 10.6 cents per share to 4.9 cents**

Hong Kong April 24, 2002 – LifeTec Group Limited (HKEx: 1180) today announced its full year financial results of 2001.

The Group reported a turnover of HK\$22,318,000 for 2001. Of the turnover for the year, HK\$11,327,000 or 50.75% was derived from the Group's biopharmaceutical business operated through its subsidiary, Weihai Sinogen Pharmaceutical Co. Ltd. ("Sinogen"). Sinogen only commenced selling earlier in 2001 after obtaining approval for its Class I drug, Wei Jia, in the PRC. Sales have been picking up very strongly over the past months. The remaining turnover was derived from the Group's trading subsidiaries.

The Group's loss for the year significantly reduced from HK\$92,621,000 or 10.6 cents per share in the previous year to HK\$57,258,000 or 4.9 cents for 2001. This represents an improvement of 38.2% in absolute terms and a 53.8% improvement in terms of per share loss compared to that of the previous year. Gross profit margin for the year rose from 9.3% to 31.2%, and operating loss for the year lowered from HK\$68,249,000 to HK\$42,236,000, representing an improvement of 38.1 % compared to that of the previous year.

Board of Directors do not recommend the payment of a final dividend for the year.

Commenting on the outlook for LifeTec, Mr. Jay Chun, Managing Director of LifeTec, said, " We saw the significant improvement in 2001. Witnessing strong pick up in the sales of Wei Jia since active launch in March 2001. The significant improvement in gross profit margin, from previous year's 9.3%

to 31.2%, reflects the positive contribution from the biopharmaceutical operations. The completion of the construction of the new production line later this year is expected to resolve the problem of shortage in supply. With a national sales network already in place and high visibility marketing activities, the sales volume of Wei Jia is expected to surge significantly in the second half of 2002. The total sales in 2002 is expected to be a multiple of that in 2001” .

The development of the second generation Wei Jia, which will be a recombinant DNA drug with enhanced features, is well under way. The research work is expected to generate new patents for registration in the second half of the year.

The Group will continue to pursue its strategy to acquire new drug projects, which have gone through or otherwise at an advanced stage in the clinical trial process to add to its product pipeline. Apart from liver drugs, anti-cancer and pediatric drugs have been identified as being the key areas for future development. The Group targets to have at least 2 additions in year 2002.

Concluded by Mr. Chun, “We will continue to concentrate on our core business in the development and commercialization of biopharmaceutical products to expand our pipeline, and will use China as the technology development platform for leveraging expansion into other regions of Asia” . The Group is also actively seeking strategic alliance with leading research institutions in the PRC and industry participants overseas. Exploratory talks are in progress with a view to expand Wei Jia to countries in South East Asia and is hopeful that some arrangement can be reached in the latter half of 2002.

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