

Press Release

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LifeTec Places Shares to Enhance the Production Facilities of 'Wei Jia'

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Total Fund Raised HK\$39 million

Hong Kong, April 1, 2001 --- LifeTec Group Limited ("LifeTec" or the "Group") (Stock Code: 1180) applied to the Stock Exchange for suspension of trading last Friday (March 30, 2001) to make way for a share placement to institutional investors. The placement involves 142,000,000 existing shares owned by Best Top Offshore Limited ("Best Top"), the holding vehicle for the Group's Chairman, Shan Shi Yong. The placement price is fixed at HK\$0.275 per share representing a discount of 6.8% from the previous day's closing price and compares favorably with the 10 days average closing of HK\$0.280 per share. The total funding raised from the placement is approximately HK\$39 million which nets to approximately HK\$37.4 million to the Group. Best Top has entered into a back-to-back subscription agreement to replenish the same number of shares as placed. The number of shares held by the Chairman after the placement and subscription remains unchanged and represents approximately 19.5% of the enlarged share capital. Celestial Capital Limited has been appointed as the placing agent for the fund raising exercise.

Of the total amount raised, approximately HK\$33 million will be applied for financing the construction of a new production line to meet with the anticipated growth in demand for Wei Jia, the Category I new drug for treating hepatitis, liver cancer and cirrhosis developed by the Group's biopharmaceutical subsidiary, Weihai Sinogen Pharmaceutical Co. Ltd. ("Sinogen"). The remaining balance of HK\$4 million will be used as Sinogen's working capital. Wei Jia obtained final approval for commercial production from the State Drug Administration ("SDA") in January this year.

Mr. Patrick Yeung, Chief Operating Officer of LifeTec, said, "The current production facilities of Sinogen, which could only handle a maximum capacity of 2 million units per annum, fall far short of current and anticipated demand for this revolutionary new drug. The expanded production facilities are expected to be completed in the last quarter of the year and will increase Sinogen's capacity to 50 million plus units. We are very confident of the market development and prospects of "Wei Jia" which will bring considerable and stable returns to the Group."

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The placement is mainly offered to institutional investors and will include at least two major European funds. The institutional investors are expected to be long term investors that will help to instill stability and growth in the share price of the Group in future. The placement has been fully subscribed and resumption of trading is expected next Monday (April 2, 2001).

Mr. Jay Chun, Managing Director of LifeTec Group Limited, concluded, “The success of the share placement is an important endorsement by the institutional investors and will definitely help to pave a successful path for the future development of the Group.”

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