

**LIFETEC GROUP PARTNERS WITH  
JIUZHOUTONG - CHINA'S LARGEST DRUG DISTRIBUTION GROUP****\*\*\*\*\*****MULTIPLE INCREASE IN SALES NETWORK**

(27 June 2004, Hong Kong) - **LifeTec Group Limited** ("LifeTec" or "the Group") (HKEX code: 1180) today announced it has reached agreement with JiuZhouTong Group ("JiuZhouTong"), the largest drug distribution group in the PRC. According to the agreement, LifeTec will make use of JiuZhouTong's well-established sales network to sale and distribute Wei Jia to China's small to medium- size hospitals and clinics, to increase the sale and penetration of Wei Jia in the PRC. At present, LifeTec distributes and sales Wei Jia to epidemic hospitals only.

As of 2003, there are over 290,000 health institutions (including hospital, health center and clinic) in the PRC. Currently, sales of Wei Jia are mainly focusing on epidemic hospital which amount to about 1,000. As JiuZhouTong's vast sales network covering clinics, small to medium-size hospitals in the PRC, the collaboration will enable LifeTec to have multiple increase in sales network.

With a nationwide sale and distribution network covering 12 provinces, cities and autonomies, JiuZhouTong is the largest drug distribution group in the PRC. Staffed with 300,000 sales agents, JiuZhouTong specializes in the sale and distribution of drug in the PRC. In 2003, JiuZhouTong recorded a turnover of RMB 6 billion.

LifeTec believes with JiuZhouTong's well-established sale and distribution network, sound track records, the collaboration should help Wei Jia further penetrate into the PRC market. The collaboration not only helps further strengthen the Group's sale and distribution in the PRC but also lower the market development costs of the Group.

Wei Jia was commercially launched in mid-2001. As at the end of May 2004, the number of hospitals adopting Wei Jia for hepatitis treatment increased to about 800. At present, LifeTec has a national coverage of 22 sales offices in the PRC and a sale office in Vietnam.

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**About JiuZhouTong**

Established in 2000, JiuZhouTong Group is a privately owned company mainly engaged in the wholesale, sale and distribution of drugs. With a nationwide sale and distribution network covering 12 provinces, cities and autonomies, JiuZhouTong is the largest drug distribution group in the PRC. Staffed with 300,000 sales agents, JiuZhouTong specializes in the sale and distribution of drug in the PRC and targets mainly small to medium-size hospitals and clinics. Its 7 associate companies all granted GSP by the State Government. In 2003, JiuZhouTong recorded a turnover of RMB 6 billion and expected to have a turnover of RMB 9 billion this year. [www.jzteyao.com](http://www.jzteyao.com)

**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 know-how 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.

With 120 million hepatitis B carriers, China is the world's largest market for hepatitis drugs. With Lifetec's outstanding sales and marketing capability, the number of hospitals adopting Wei Jia for hepatitis treatment soared to about 800 as at the end of May 2004. LifeTec is also licensed to sell and distribute third parties' biopharmaceutical products through its nationwide distribution network. At present, LifeTec has a national coverage of 22 sales offices in the PRC and a sale office in Vietnam.

LifeTec is working on recombinant human augments for liver regeneration ("rhALR"), a revolutionary gene therapy for various kinds of liver diseases, and Fibroscutum, a novel anti-fibrosis and anti-cancer compound. The two new products are the Group's strategic move to develop genetic drugs.

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