

FOR IMMEDIATE RELEASE

**LIFETEC GROUP
ANNOUNCED 2003 ANNUAL RESULTS**

- **Turnover increased 85% to HK\$57 million**
- **Net Profit recorded at HK\$37 million**

(23 April 2004, Hong Kong) - **LifeTec Group Limited** (“LifeTec” or “the Group”) (HKEX code: 1180) reported a profit attributable to shareholders of HK\$36.8 million for the year ended 31 December 2003 albeit business of the Group, like other companies in Hong Kong and the PRC, was seriously hurt by the SARs outbreak in the first half of 2003.

The remarkable results were mainly attributed to the successful corporate restructure held in the second half of 2003.

In the Group’s restructuring exercise held in July 2003, LifeTec acquired a national drug distribution company and at the same time disposed 65.7% interest in Weihai Sinogen Pharmaceutical Co., Ltd. (“Sinogen”). LifeTec owns all the effective intellectual property and production know how of Wei Jia, the Category One Drug, and its global sole distributorship. The corporate restructure of the Group enabled LifeTec to be transformed into a high-performance group with clear direction.

The disposal of Sinogen not only enables LifeTec to increase its transparency but also to put more resources in the sales and marketing of Wei Jia, evident by its national coverage of 20 sales offices in the PRC and a sales office in Vietnam as at the end of 2003; the number of hospital adopted Wei Jia increased to about 700 as at the end of 2003 as compared to 500 in year 2002. As a result, performance of the Group in the second half of 2003 was even much better than the whole year of 2002.

“The encouraging performance in the past year is an endorsement to our successful business strategies. With our sales of Wei Jia expanding from hospitals to clinics in the PRC and the increasing sales reach to other South East Asian countries like Vietnam, Cambodia and Myanmar, we expect higher growth in our profitability and operation scale in the years to come,” said Mr Jay Chun, the Chairman of LifeTec.

LifeTec Group is actively expanding into international market with primal focus in Asia. With a view to reduce the development costs of sales and marketing in these countries and to achieve a faster expansion within a shorter period of time, the Group is seeking collaboration opportunities with international and local pharmaceutical enterprises with well-established network in these countries. In return, LifeTec can help to sell their products in China by making good use of its national sales distribution network to achieve a win-win situation.

LifeTec is also licensed to sell and distribute third parties' biopharmaceutical products which in a way will broaden the Group's income base.

“Looking ahead, with Wei Jia together with Fibroscutum and rhALR, the two new genetic drugs under pipeline, we expect LifeTec to take an important share in global liver drug market in the years to come,” added Mr. Chun.

The directors do not recommend the payment of a final dividend for the year (2002: nil).

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For Enquiries

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Consolidated income statement

For the year ended 31 December 2003

	<u>2003</u> <u>HK\$' 000</u>	<u>2002</u> <u>HK\$' 000</u>
TURNOVER	57,213	31,009
Cost of sales	(9,961)	(7,049)
Gross profit	47,252	23,960
Other operating income	38,570	943
Distribution costs	(13,698)	(13,501)
Administrative expenses	(31,625)	(34,587)
Write back of other payables	-	11,700
Allowance for doubtful debts	(3,956)	(3,114)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES	36,543	(14,599)
Finance costs	(730)	(2,096)
PROFIT/(LOSS) BEFORE TAX	38,559	(18,107)
Taxation	(7)	-
PROFIT/(LOSS) BEFORE MINORITY INTERESTS	38,552	(18,107)
Minority interests	(1,704)	(5,211)
PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS	36,848	(23,318)
EARNINGS/(LOSS) PER SHARE – Basic (HK cents)	1.7	(1.4)
– Diluted (HK cents)	1.7	N/A