



生命科技集團有限公司
LifeTec Group Limited

For immediate release

LIFETEC GROUP LIMITED
ANNOUNCED ANNUAL RESULTS ENDED 31 DECEMBER 2005
LOSS DURING THE PERIOD NARROWED DOWN SIGNIFICANTLY

<u>Financial Highlights</u>	For 12 months ended 31 December (HK\$ '000)		
	2005	2004	Change
Turnover	85,478	64,179	+33%
Loss	(24,400)	(60,784)	-

(27 April 2006, Hong Kong) - **LifeTec Group Limited** ("LifeTec" or "the Group") (SEHK: 1180) today announced its annual results for the 12 months ended 31 December 2005 ("the Period").

During the Period, the Group posted a record high turnover of HK\$85,478,000, representing an increase of 33% as compared to HK\$64,179,000 for the previous year. Gross profit of the Group for 2005 amounted to HK\$25,910,000 (2004: HK\$51,604,000), and the gross profit margin was 30%. The loss of year 2005 has narrowed from HK\$60,784,000 to HK\$24,400,000. The loss was mainly due to the intense market competition and the consequential increase of product price discount.

Mr. Jay Chun, the Chairman of LifeTec, said, "The world has never been free from the imminent threat of epidemic where at the moment the possibility of a major outbreak is a concern of the public. Therefore, we will direct more research resources to develop new cures for respiratory or viral related infectious diseases. LifeTec Pharmaceutical of the Group will focus its research on those generic drugs which can be commercialized and launched in the market in a much shorter timeframe. On the other hand, the Group will continue its research and development on major genetic drug candidates like rhALR and Fibrocorin which will offer promising returns in the medium to long term."

Mr. Chun concluded, "LT Capital Limited ("LT Capital"), which operates the Group's non-biopharmaceutical investments, is expected to achieve significant breakthroughs in the coming year. Among all, our novel electronic gaming system will soon be installed in the casinos of Macau. The patent application of this technology was filed in both the U.S. and Macau. Looking ahead, the Group's core business and projects of LT Capital will expand independently at respective optimal paces. The Group will continue to enhance its biopharmaceutical business and at the same time capture high growth investment projects. The live baccarat gaming system, the flagship project of LT Capital, will prove the ability of our management in transforming innovation and sound business ideas to sustaining income streams."

Business Review

The rise in the sales of pharmaceuticals was the result of extra resources allocated to sales and marketing front. The Group's research and development for new drugs have been making good progress. As the world has been under imminent threat of avian flu outbreak, the Group has prioritized research efforts in identifying and developing new drugs for the prevention and cure of infectious respiratory diseases.

With the Group's corporate reorganization at the end of fiscal year 2004, LT Capital, one of the two key holding companies of the Group, has set up a wholly owned subsidiary in Macau

to provide support to the development of live baccarat gaming system. The system combines traditional baccarat card dealing by casino staff and digital network of touch screen betting terminals. The system is designed for mass gaming hall. It has automatic lighting device to guide card dealing process in baccarat games and a computerized payout program to shorten the time for each game.

Prospects

The Group will dedicate resources to extend the reach of LifeTec Pharmaceutical to different parts of China. It will continue to enhance its existing agency network to drive the sales growth. By the time the operation of LifeTec Pharmaceutical reaches the critical scale, our biopharmaceutical business operating margin will be largely enhanced.

Management of the Group expects the new projects of LT Capital will achieve significant breakthroughs in the coming year. The live baccarat gaming system for LT Capital has been making sound progress and will soon be installed in the casinos of Macau.

About LifeTec Group Limited (SEHK: 1180)

LifeTec Group Limited is a Hong Kong listed company (SEHK: 1180) which has two major divisions run by wholly-owned subsidiaries LifeTec Pharmaceutical Limited (“LifeTec Pharmaceutical”) and LT Capital Limited (“LT Capital”).

LifeTec Pharmaceutical 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 Pharmaceutical outstanding sales and marketing capability, the number of hospitals adopting Wei Jia for hepatitis treatment soared to about 800 as at the end of 2004.

LifeTec Pharmaceutical is also licensed to sell and distribute third parties' biopharmaceutical products through its nationwide distribution network. At present, LifeTec Pharmaceutical has a national coverage of 22 sales offices in China and access to overseas market. LifeTec Pharmaceutical is working on recombinant human augments for liver regeneration ("rhALR"), a revolutionary gene therapy for various kinds of liver diseases, and Fibrocorin, an anti-fibrosis and anti-cancer fusion protein. The two new products signify the Group's strategic move to develop genetic drugs.

LT Capital is the corporate investment arm of the Group. It focuses on investment projects in the fast-growing business sectors.

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Issued by PR ASIA Consultants Limited on behalf of LifeTec Group Limited.

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