

# TARGET

## Intelligence Report

VOLUME XXIV No. 49

S A T U R D A Y

March 5, 2022

### **LIFETECH SCIENTIFIC CORPORATION: THIS COMPANY IS FLYING HIGH !**

LifeTech Scientific Corporation (先健科技公司) (Code: 1302, Main Board, The Stock Exchange of Hongkong Ltd) is another corporate entity that, initially, sought and obtained permission for the listing of its shares on the secondary equity market of The Stock Exchange of Hongkong Ltd – the **G**rowth **E**nterprise **M**arket (the **GEM**) – on or about November 10, 2011.

But, a little less than two years as a GEM company, on or about November 6, 2013, Senior Management sought and obtained permission to transfer the listing of its shares from the GEM to the premier equity market of The Stock Exchange of Hongkong Ltd – the Main Board.

And, it appears, in the nature of things, management of this development, manufacturer and marketer of medical devices for cardiovascular and peripheral vascular diseases and disorders has not rued the day with regard to its determinations in transferring its listing from the GEM to the premier equity market of the **H**ong**k**ong **S**pecial **A**ddministrative **R**egion (**HKSAR**) of the **P**eople's **R**epublic of **C**hina (**PRC**).

### **The 2020 Annual Report Of LifeTech Scientific Corporation**

On April 16, 2021, Senior Management of LifeTech Scientific Corporation published and disseminated its Annual Report in respect of the Financial Year, ended December 31, 2020.

The following are the highlights of the financials of this Report:

	For The Financial Year, Ended December 31		Percentage Increase/(Decrease)*
	2020	2019	
	All Figures Are Denominated In <b>Renminbi (RMB)</b> ’000 (except where otherwise stipulated)		
Revenue	<b>642,299</b>	668,879	<b>(3.97)</b>
Gross Profit <sup>1</sup>	<b>246,906</b>	94,254	<b>161.96</b>
Gross Profit Margin*	<b>38.44 percent</b>	14.09 percent	<b>172.82</b>
Operating Profit	<b>264,489</b>	188,755	<b>40.12</b>
Profit For The Year, After Income Tax Expenses	<b>207,043</b>	127,164	<b>62.82</b>

Net Profit Attributable To Shareholders	<b>216,085</b>	129,200	<b>67.25</b>
Net Profit Margin*	<b>33.64 percent</b>	19.32 percent	<b>74.12</b>

\* These are **TARGET**'s calculations.

Note <sup>1</sup>:

At Note Six to the Accounts, found at Page 105 of the 2020 Annual Report of LifeTech Scientific Corporation, under the subheading, '**OTHER INCOME, EXPENSES, GAINS AND LOSSES**', the following was noted:

*'Gain from changes in fair value of financial assets at FVTPL (Fair Value Through Profit and Loss)'*:

Year ended December 31, 2020

Year ended December 31, 2019

RMB200,074,000

RMB7,142,000

It is obvious that, without the above-mentioned gain with regard to financial assets at FVTPL, the Bottom Line, in respect of the 2020 Net Profit, would have been materially lower.

At Page 61 of the 2020 Annual Report of LifeTech Scientific Corporation, under the heading, '**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**', it was noted that, as at December 31, 2020, bank balances and cash were in the books of the Company at RMB971,683,000 (December 31, 2019: RMB299,027,000).

With regard to bank borrowings, as at December 31, 2020, they stood at approximately RMB174.50 million (2019: Approximately RMB330.30 million).

On December 11, 2020, Management of LifeTech Scientific Corporation launched a share placement of 287,320,000 New Ordinary Shares of the Company at the Placing Price of \$HK3.2368 Per Placing Share.

After all expenses had been retired in respect of the Share Placement, the Company netted \$HK930 million.

At the foot of Page 13 of the 2020 Annual Report of the Company, one was informed of the following, under the heading, '**BORROWINGS**':

*'As at 31 December 2020, bank borrowings amounted to approximately RMB174.5 million, with a decrease of approximately RMB155.8 million as compared to approximately RMB330.3 million as at 31 December 2019. As at 31 December 2020, the bank borrowings were made in United States Dollars and Renminbi. RMB50.0 million of the RMB174.5 million bank borrowings were borrowed at fixed interest rate. The 2020 Placing ... has boosted the equity standing of the Company and enabled the Company to place less reliance on debt financing in the foreseeable future. With the proceeds generated from the 2020 Placing, the Company repaid some of*

*the bank borrowings in 2020 and we plan to continue reducing our level of bank borrowings during the financial year 2021... Particulars of the bank borrowings are set out in Note 28 to the consolidated financial statements in this annual report.*

*'The interest incurred therefrom was approximately RMB24.7 million during the year ended 31 December 2020 (corresponding period in 2019: approximately RMB19.0 million).'*

At ... [CLICK TO ORDER FULL ARTICLE](#)

***While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.***

*If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to [editor@targetnewspapers.com](mailto:editor@targetnewspapers.com). TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*