



## **LifeTech Scientific Corporation**

**先健科技公司**

*(Incorporated in the Cayman Islands with limited liability)*

**Stock code : 8122**

### **THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

#### **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This announcement, for which the director(s) (the “Director(s)”) of LifeTech Scientific Corporation (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

## **HIGHLIGHTS**

- Turnover for the nine months ended 30 September 2012 was approximately RMB133.0 million, representing an increase of approximately 31.6% as compared with the corresponding period in 2011.
- Profit attributable to shareholders of the Company for the nine months ended 30 September 2012 was approximately RMB30.9 million representing an increase of approximately 151.2% as compared with the corresponding period in 2011.
- The Board does not recommend the payment of any dividend for the nine months ended 30 September 2012.

## **UNAUDITED THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

The board of Directors (the “Board”) of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months and nine months ended 30 September 2012 together with the unaudited comparative figures for the respective corresponding period in 2011 as follows:

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2012	2011	2012	2011
		(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000
Revenue	5	44,081	32,433	132,966	101,056
Cost of sales		(9,441)	(5,729)	(27,166)	(18,407)
<b>Gross profit</b>		<b>34,640</b>	26,704	<b>105,800</b>	82,649
Other income and other gains and losses	4	3,373	143	6,978	2,010
Selling and distribution expenses		(9,729)	(8,450)	(27,144)	(22,477)
Administration expenses		(7,942)	(6,416)	(23,687)	(23,068)
Research and development expenses		(4,800)	(6,352)	(17,575)	(15,156)
Listing expenses		—	(4,214)	—	(9,188)
Share of loss of an associate		(3,643)	—	(5,416)	—
<b>Profit before tax and change in fair value of convertible redeemable preferred shares</b>	6	<b>11,899</b>	1,415	<b>38,956</b>	14,770
Change in fair value of convertible redeemable preferred shares		—	—	—	3,288
<b>Profit before tax</b>		<b>11,899</b>	1,415	<b>38,956</b>	18,058
Income tax expense	7	(2,708)	(1,072)	(7,555)	(5,014)
<b>Profit for the period</b>		<b>9,191</b>	343	<b>31,401</b>	13,044
Other comprehensive income (expenses):					
Exchange differences arising on translation of foreign operation		(88)	(20)	(33)	55
<b>Total comprehensive income for the period</b>		<b>9,103</b>	323	<b>31,368</b>	13,099
Profit for the period attributable to:					
Owners of the Company		9,042	420	30,908	12,333
Non-controlling interests		149	(77)	493	711
		<b>9,191</b>	343	<b>31,401</b>	13,044
Total comprehensive income (expenses) attributable to:					
Owners of the Company		8,954	400	30,875	12,388
Non-controlling interests		149	(77)	493	711
		<b>9,103</b>	323	<b>31,368</b>	13,099
Earnings per share	8				
– Basic (RMB)		0.018	0.001	0.062	0.035
– Diluted (RMB)		0.018	0.001	0.062	0.019

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company									
	Share capital	Share premium	Translation reserve	Statutory	Capital reserve	Contribution reserves	Accumulated	Total	Non-controlling interests	Total Equity
				Surplus reserve			(Loss) profits			
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<b>At 1 January 2011</b>	3	—	(38)	11,934	(421)	32,531	(44,220)	(211)	3,288	3,077
Profit for the period	—	—	—	—	—	—	12,333	12,333	711	13,044
Other comprehensive (expenses) income for the period	—	—	55	—	—	—	—	55	—	55
Total comprehensive (expenses) income for the period	—	—	55	—	—	—	12,333	12,388	711	13,099
Award shares to employee	—	13,993	—	—	—	—	—	13,993	—	13,993
Conversion of convertible redeemable preferred shares	2	117,154	—	—	—	—	—	117,156	—	117,156
Acquisition of non-controlling interests	—	—	—	—	144	—	—	144	(294)	(150)
Dividends paid to common shareholders	—	(20,000)	—	—	—	—	—	(20,000)	—	(20,000)
Appropriations	—	—	—	1,477	—	—	(1,477)	—	—	—
<b>At 30 September 2011 (unaudited)</b>	<b>5</b>	<b>111,147</b>	<b>17</b>	<b>13,411</b>	<b>(277)</b>	<b>32,531</b>	<b>(33,364)</b>	<b>123,470</b>	<b>3,705</b>	<b>127,175</b>
<b>At 1 January 2012</b>	<b>32</b>	<b>251,593</b>	<b>691</b>	<b>13,411</b>	<b>(277)</b>	<b>32,531</b>	<b>(33,867)</b>	<b>264,114</b>	<b>3,726</b>	<b>267,840</b>
Profit for the period	—	—	—	—	—	—	30,908	30,908	493	31,401
Other comprehensive expenses for the period	—	—	(33)	—	—	—	—	(33)	—	(33)
Contribution from non-controlling interests of a subsidiary	—	—	—	—	—	—	—	—	3	3
Total comprehensive (expenses) income for the period	—	—	(33)	—	—	—	30,908	30,875	496	31,371
<b>At 30 September 2012 (unaudited)</b>	<b>32</b>	<b>251,593</b>	<b>658</b>	<b>13,411</b>	<b>(277)</b>	<b>32,531</b>	<b>(2,959)</b>	<b>294,989</b>	<b>4,222</b>	<b>299,211</b>

## **NOTES:**

### **1. GENERAL INFORMATION**

The Company was incorporated in the Cayman Islands on 17 August 2006 as an exempted company with limited liability and its shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 10 November 2011. The address of the registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands, and the address of the principal place of business is Floor 1-5, Cybio Electronic Building, Langshan 2nd Street, North Area of High-tech Park, Nanshan District, Shenzhen, Guangdong Province, the People’s Republic of China (the “PRC”).

The Company is an investment holding company. The principal activities of its subsidiaries are development, manufacture and trading of advanced interventional medical devices for cardiovascular and peripheral vascular diseases and disorders.

The condensed consolidated financial statements are presented in Renminbi (“RMB”), which is the functional currency of the Company and its major operating subsidiaries.

### **2. BASIS OF PREPARATION**

The unaudited condensed consolidated financial statements of the Group for the nine months ended 30 September 2012 have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) and the applicable disclosure requirements of the GEM Listing Rules.

### **3. PRINCIPAL ACCOUNTING POLICIES**

The accounting policies used are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2011 and interim report for the six months ended 30 June 2012.

The Group has not applied the new and revised IFRSs listed, which the new and revised IFRSs have been issued but are not yet effective. The Directors anticipate that the application of the new or revised standards, amendments and interpretations will have no material impact on the consolidated financial statements.

#### 4. OTHER INCOME AND OTHER GAINS AND LOSSES

	Three months ended		Nine months ended	
	30 September		30 September	
	2012 (Unaudited) RMB'000	2011 (Unaudited) RMB'000	2012 (Unaudited) RMB'000	2011 (Unaudited) RMB'000
Government grants	1,332	—	2,934	816
Rental Income	303	137	915	571
Interest income on bank deposits	66	74	217	246
Interest on structured deposits	660	205	1,443	246
Net foreign exchange gain/(loss)	903	(523)	828	(249)
Others	109	250	641	380
	<u>3,373</u>	<u>143</u>	<u>6,978</u>	<u>2,010</u>

#### 5. SEGMENT INFORMATION

	Three months ended		Nine months ended	
	30 September		30 September	
	2012 (Unaudited) RMB'000	2011 (Unaudited) RMB'000	2012 (Unaudited) RMB'000	2011 (Unaudited) RMB'000
Congenital heart diseases business	26,559	23,229	75,734	69,197
Peripheral vascular diseases business	17,310	9,191	56,838	31,812
Surgical vascular diseases business	212	13	394	47
	<u>44,081</u>	<u>32,433</u>	<u>132,966</u>	<u>101,056</u>

## 6. PROFIT BEFORE TAX AND CHANGE IN FAIR VALUE OF CONVERTIBLE REDEEMABLE PREFERRED SHARES

Profit before tax and change in fair value of convertible redeemable preferred shares has been arrived at after charging:

	Three months ended		Nine months ended	
	30 September		30 September	
	2012	2011	2012	2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000
Depreciation of property, plant and equipment	1,763	1,562	4,998	3,727
Staff costs, including Directors' remuneration				
Salaries, wages and other benefits	10,913	7,272	30,643	19,316
Share-based compensation expense	—	—	—	5,118
Retirement benefits scheme contributions	687	633	1,875	1,411
	<u>11,600</u>	<u>7,905</u>	<u>32,518</u>	<u>25,845</u>

## 7. INCOME TAX EXPENSE

	Three months ended		Nine months ended	
	30 September		30 September	
	2012	2011	2012	2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000
Current tax				
PRC Enterprise Income Tax ("PRC EIT")	2,214	1,552	8,271	5,339
Deferred tax	494	(480)	(716)	(325)
	<u>2,708</u>	<u>1,072</u>	<u>7,555</u>	<u>5,014</u>

The Company is tax exempted under the laws of the Cayman Islands. New Centre International Limited 新城市國際有限公司 ("New Centre"), a subsidiary of the Company, is subject to Hong Kong Profits Tax rate of 16.5% on profits earned in Hong Kong. No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

## **7. INCOME TAX EXPENSE** *-continued*

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% except that a major operating subsidiary Lifetech Scientific (Shenzhen) Co., Ltd in the PRC was qualified as High and New Technology Enterprises since 2009 and is entitled to a preferential income tax rate of 15% for the period from 2009 to 2014. Since 2012, Shenzhen Shineyard Medical Device Co., Ltd., a subsidiary, initially is qualified as High and New Technology Enterprises and is entitled to the preferential income tax rate of 15%.

For other PRC subsidiaries which are located in Special Economic Zone of the PRC, their applicable income tax rates are 25% and 24% for the period ended 30 September 2012 and 2011 respectively.

The applicable income tax rate of Lifetech Scientific India Private limited ("Lifetech India") is 30.9% on its taxable profits.

## **8. EARNING PER SHARE**

### **(a) Basic earnings per share**

The calculations of basic earnings per share for the three months and nine months ended 30 September 2012 are based on the unaudited condensed consolidated profit of approximately RMB9.0 million RMB30.9 million attributable to the equity shareholders of the Company for the three months and nine months ended 30 September 2012 respectively (three months and nine months ended 30 September 2011: approximately RMB0.4 million and RMB12.3 million respectively) and the weighted average number of share in issue for the three months and nine months ended 30 September 2012 of 500,000,000 shares (three months and nine months ended 30 September 2011: 407,500,000 shares and 355,391,740 shares respectively) on the assumption that they have been in issue throughout the periods.



**8. EARNING PER SHARE** *-continued*

**(b) Diluted earnings per share**

Diluted earnings per share was not applicable to the three months and nine months ended 30 September 2012 as no dilutive events existed during the period.

The diluted earnings per share for the nine months ended 30 September 2011 is based on the unaudited consolidated profit of approximately RMB12.3 million, adding back effect of changes in fair value of convertible redeemable preferred shares of approximately RMB3.3 million and exchange gain of approximately RMB1.2 million attributable to the owner of the Company and the adjusted weighted average number of share in issue for the nine months ended 30 September 2011 of 355,391,740 shares.

Diluted earnings per share was not applicable to the three months ended 30 September 2011 as no dilutive events existed during the period.

**9. DIVIDEND**

The Directors do not recommend the payment of an interim dividend for the nine months ended 30 September 2012 (corresponding period in 2011: RMB20.0 million).

**10. EVENTS AFTER THE REPORTING PERIOD**

On 15 October 2012, Medtronic, Inc. ("Medtronic"), the Company and Beijing PerMed Biomedical Engineering Co., Ltd. ("PerMed"), one of the subsidiaries of the Company, entered into a series of agreements as part of a long-term strategic transaction between the parties. The Directors of the Company are still assessing the financial impact in relation to issuance and subscription of Convertible Notes under the Investment Agreement.

For details of the agreements, please refer to the announcement of the Company dated 15 October 2012.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group is a developer, manufacturer and marketer of advanced minimally invasive interventional medical devices for cardiovascular and peripheral vascular diseases and disorders. There are three lines of business in our Group, namely congenital and structural heart diseases business (“congenital heart diseases business”), surgical vascular repair business and peripheral vascular diseases business, providing clinically effective and commercially attractive product offerings.

China is our largest market, and sales generated from the Chinese market accounted for approximately 72.2% of our total revenue for the nine months ended at 30 September 2012 (corresponding period in 2011: approximately 68.6%). Our domestic sales realized a 38.3% growth for the nine months ended 30 September 2012 as compared to the last corresponding period. Our international market realized a 16.8% growth in sales revenue as compared to the last corresponding period. The increase in revenue was mainly attributable to the rapid growth of sales volume of our primary products along with the expansion of our sales network.

As for Research and Development, we accomplished the following new achievements in the third quarter of 2012:

- Our Cera PFO occluders made their debut in the international market in September 2012.
- We obtained approval from the Department of Health of Hong Kong for our Ceraflex product in the third quarter of 2012.
- Animal testing for peripheral bare stent was completed, and we implanted four cases in the second phase of animal testing for peripheral cover stent by September 2012.

### FINANCIAL REVIEW

Summary of the results of the Group for the nine months ended 30 September 2012 and the corresponding period in 2011 are as follows:

- Total turnover was approximately RMB133.0 million (corresponding period in 2011: approximately RMB101.1 million), representing approximately a 31.6% increase as compared to the corresponding period in 2011. The increase was primarily attributable to an increase of approximately RMB25.0 million in revenue from peripheral vascular diseases business.
- Gross profit was approximately RMB105.8 million (corresponding period in 2011: approximately RMB82.6 million), representing approximately a 28.1% increase as compared to the corresponding period in 2011. The increase was primarily attributable to an increase of approximately RMB31.9 million in revenue.
- The operating profit before tax and before change in fair value of convertible redeemable preferred shares was approximately RMB39.0 million (corresponding period in 2011: approximately RMB14.8 million), representing approximately an increase of approximately 163.5% as compared to the corresponding period in 2011. The increase was primarily attributable to 1) elimination of the one time share-based compensation amounting to approximately RMB5.1 million to certain key management of the Group; 2) elimination of offering expenses amounting to approximately RMB9.2 million incurred during the first nine months of 2011; and 3) increase of revenue.
- Net profit attributable to owners of the Company was approximately RMB30.9 million (corresponding period in 2011: approximately RMB12.3 million), representing approximately a 151.2% increase as compared to the corresponding period in 2011.

## **BUSINESS OUTLOOK**

The Group will continue to rely on its two core businesses, namely congenital heart diseases business and peripheral vascular diseases business as growth driver in 2012. The Group will also actively expand its product offering and strengthen its established market position. In October 2012, the Company and PerMed entered into a series of agreements with Medtronic, one of the largest medical technology companies in the United States, as part of a long-term strategic transaction between the parties. For details, please refer to the announcement of the Company dated 15 October 2012. In particular, PerMed will appoint Medtronic as the exclusive distributor of PerMed with the exclusive right to advertise, promote, market, distribute and sell all current and future heart valve products of PerMed worldwide. It is expected that this will broaden the influence of our products and accordingly increase our market share globally.

Our subsidiaries in the Netherlands, Russia and France have been established this year, which form an initial framework for us to tap into the European market. We believe this will gradually help shaping the international image of our products and accelerate our growth in this strategic market.

We will continue to focus on broadening our product portfolio as well as designing innovative products to capitalize on our growing sales network and infrastructure. In particular:

- Clinical trial for Ankurall Stent Graft is in progress.
- We plan to start preliminary animal testing on the second generation Vena Cava Filter from December 2012.
- We completed clinical trials for the Spider PFO occluder in Europe in January 2012, which is expected to receive CE certification in December 2012 and then to proceed with commercial sales in Europe.

## **USE OF PROCEEDS GENERATED FROM THE COMPANY'S INITIAL PUBLIC OFFERING**

The net proceeds from the Company's issue of new shares at the time of its listing in November 2011, after deduction of related expenses, amounted to approximately HK\$156.6 million. As at 30 September 2012, the Company used approximately 21.8% of the net proceeds, being HK\$3.6 million to enhance market position of core cardiovascular and peripheral vascular devices in key emerging markets, HK\$17.5 million to continue to develop and commercialize pipeline products, HK\$3.6 million to the expansion into key international markets with current and pipeline products and HK\$9.5 million to the expansion into complementary product offers and pursue opportunistic, acquisitions, partnerships, alliances and licensing, opportunities. The net proceeds applied during the period for the nine months ended 30 September 2012 are less than expected, primarily due to the postponement of the acquisition of land in the Nanshan District of Shenzhen, PRC as the relevant government approval for such acquisition is yet to be obtained. The unused proceeds amounting to approximately HK\$43.6 million (equivalent to approximately RMB35.7 million) have been placed in an interest bearing deposit account maintained with a bank in Hong Kong and approximately HK\$61.3 million (equivalent to approximately RMB50.0 million) will be injected to the subsidiary Lifetech Scientific (Shenzhen) Co., Ltd. for acquiring land in the Nanshan District upon receiving government approval.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2012, the interests of Directors and chief executives of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

### (a) Long position in ordinary shares and underlying shares of the Company ("Shares")

Name of Director	Nature of interest	Number of shares	Position	Percentage of the Company's issued share capital
XIE Yuehui	Interest of controlled corporation ( <i>Note 1</i> )	101,540,962	Long	20.31%
WU Jianhui	Interest of controlled corporation ( <i>Note 2</i> )	87,883,332	Long	17.58%
ZENG Min Frank (Resigned on 27/08/2012)	Interest of controlled corporation ( <i>Note 3</i> )	18,512,143	Long	3.70%
ZHAO Yiwei Michael	Interest of controlled corporation ( <i>Note 4</i> )	13,583,333	Long	2.72%
LI Gabriel	Interest of controlled corporation ( <i>Note 5</i> )	98,650,618	Long	19.73%

*Note 1:* These shares are held through Xianjian Advanced Technology Limited, a company wholly owned by Mr. XIE, the chairman and executive director of our Company.

*Note 2:* These shares are held through GE Asia Pacific Investments, Ltd., a company wholly owned by Mr. WU, a non-executive Director of our Company.

*Note 3:* These shares are held through Real Wealth Management Ltd., a company wholly owned by Mr. Zeng, who resigned as a non-executive director of our Company on 27 August 2012. The percentage of shares held is updated to the resignation date.

*Note 4:* These shares are held through St.Christopher Investment Ltd., a company wholly owned by Mr. ZHAO, the chief executive officer and executive director of our Company.

*Note 5:* These shares are held through Orchid Asia III, L.P., which is indirectly controlled by Orchid Asia Group Limited, which is in turn controlled by YM Investment Limited. The entire issued share capital of YM Investment Limited is ultimately held by The Li 2007 Family Trust, which is a BVI discretionary trust established by Ms. Lam Lai Ming, spouse of Mr. Li Gabriel, a non-executive director of our Company, as settlor and Managecorp Limited as trustee on 22 January 2008. The beneficiaries of The Li 2007 Family Trust include family members of Ms. Lam Lai Ming and Mr. Li Gabriel.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2012, other than the interests of a director or chief executive of the Company as disclosed under the heading "Directors' and chief executive's interests and short position in the shares, underlying shares and debentures" above, the interests and short positions of persons in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholder	Number of shares	Position	Capacity	Percentage of the Company's issued share capital
YM Investment Limited ( <i>Note 1</i> )	98,650,618	Long	Interest of controlled corporation	19.73%
Lam Lai Ming ( <i>Note 1</i> )	98,650,618	Long	Interest of controlled corporation	19.73%
Managecorp Limited ( <i>Note 1</i> )	98,650,618	Long	Trustee	19.73%
Orchid Asia Group Management, Limited ( <i>Note 2</i> )	98,650,618	Long	Interest of controlled corporation	19.73%
Orchid Asia Group, Limited ( <i>Note 2</i> )	98,650,618	Long	Interest of controlled corporation	19.73%
Orchid Asia III, L.P. ( <i>Note 2</i> )	98,650,618	Long	Beneficial owner	19.73%
Xianjian Advanced Technology Limited	101,540,962	Long	Beneficial owner	20.31%
GE Asia Pacific Investments Ltd.	87,883,332	Long	Beneficial owner	17.58%
Themes Investment Partners II GP, L.P.	86,456,000	Long	Interest of controlled corporation	17.29%
Themes Investment Partners II, L.P.	86,456,000	Long	Interest of controlled corporation	17.29%
TIP II General Partner Limited	86,456,000	Long	Interest of controlled corporation	17.29%
Yi Xiqun	86,456,000	Long	Interest of controlled corporation	17.29%
Yu Fan	86,456,000	Long	Interest of controlled corporation	17.29%
Ally Investment Holdings Limited	82,400,000	Long	Interest of controlled corporation	16.48%
Prosperity International	82,400,000	Long	Beneficial owner and person having a security interest in shares	16.48%
Wanhui Limited	82,400,000	Long	Interest of controlled corporation	16.48%

*Note 1:* These Shares are held through Orchid Asia III, L.P., which is indirectly controlled by Orchid Asia Group Limited, which is in turn controlled by YM Investment Limited. The entire issued share capital of YM Investment Limited is ultimately held by The Li 2007 Family Trust, which is a BVI discretionary trust established by Ms. Lam Lai Ming, spouse of Mr. Li Gabriel, a non-executive director of our Company, as settlor and Managecorp Limited as trustee on 22 January 2008. The beneficiaries of The Li 2007 Family Trust include family members of Ms. Lam Lai Ming and Mr. Li Gabriel.

*Note 2:* Orchid Asia III, L.P. is controlled by OAIH Holdings, L.P., which is in turn controlled by Orchid Asia Group Management Limited, which is in turn controlled by Orchid Asia Group Limited.

Save as disclosed above, as at 30 September 2012, the directors of the Company were not aware of any other person (other than the directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

## **SHARE OPTION SCHEME**

The Company has not granted or issued any option up to 30 September 2012.

## **INTERIM DIVIDEND**

The Directors do not recommend the payment of any interim dividend for the nine months ended 30 September 2012.

## **DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Apart from the details as disclosed under the heading "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations" above, at no time during the nine months ended 30 September 2012 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES**

During the nine months ended 30 September 2012, there were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries.

## **INTERESTS OF THE COMPLIANCE ADVISER**

As notified by South West Capital Limited ("SWCL"), the Company's compliance adviser, neither SWCL nor any of its directors or employees or associates had any interests in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) as at 30 September 2012.

## **DIRECTOR'S INTERESTS IN COMPETING INTERESTS**

During the nine months ended 30 September 2012 and save as disclosed in the annual report of 2011, the Directors were not aware of any business or interest of the Directors or the management shareholders of the Company and their respective associates (as defined under the GEM Listing Rules) that had competed or might compete with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding directors' securities transactions on terms set out in Rules 5.48 to 5.67 of the GEM Listing Rules regarding the directors' securities transactions in securities of the Company. Specific enquiry has been made of all the Directors and the Directors have confirmed that they had complied with such code of conduct from the date of listing of the Company's shares on the Stock Exchange up to 30 September 2012.

## **AUDIT COMMITTEE**

The Company established an audit committee on 22 October 2011 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph C.3.3 of the CG Code. The Audit Committee consists of three members, the majority of whom are independent non-executive Directors, namely Mr. Liang Hsien Tse Joseph, a Director with the appropriate professional qualifications who serves as the chairman of the audit committee, Mr. Wu Jianhui and Mr. Zhou Gengshen.

The primary duties of the audit committee are to assist our Board in providing an independent view of the effectiveness of our financial reporting process, internal control and risk management system, to oversee the audit process and to perform other duties and responsibilities as assigned by our Board.

The Group's unaudited results for the nine months ended 30 September 2012 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards, the Stock Exchange and legal requirements and that adequate disclosure has been made.

On behalf of the Board  
**LifeTech Scientific Corporation**

**XIE Yuehui**  
*Chairman and Executive Director*

Hong Kong, 14 November 2012

*As at the date of this announcement, the Board comprises Mr. XIE Yuehui and Mr. ZHAO Yiwei Michael being executive directors of the Company; Mr. LI Gabriel, Mr. WU Jianhui and Ms. CONG Ning being non-executive directors of the Company; and Mr. LIANG Hsien Tse Joseph, Mr. ZHANG Xingdong, Mr. ZHOU Gengshen being independent non-executive directors of the Company.*

*This announcement will remain on the "Latest Company Announcements" page of the GEM website at <http://www.hkgem.com> for 7 days from the date of its posting. This announcement will also be posted on the Company's website at <http://www.lifetechmed.com>*