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LifeTech Scientific Corporation
先健科技公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1302)

INSIDE INFORMATION

**AMENDMENT AND SUPPLEMENTAL AGREEMENTS
ENTERED INTO WITH MEDTRONIC**

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board hereby announces that on 3 August 2018, the Company and Medtronic entered into the First Amendment Agreement to the Supply and Exclusive Distribution Agreement under the New Transaction Agreements and the Fifth Supplemental Agreement to the Distribution Agreements and the Services Agreements (“**Amendment and Supplemental Agreements**”) to 1) terminate the right of first negotiation of Medtronic, Inc. or its affiliates (“**Medtronic**”) to become the exclusive, world-wide distributor over the Company’s cardiac or vascular related products pursuant to the Supply and Exclusive Distribution Agreement under the New Transaction Agreements and the Distribution Agreements; 2) reduce the rate of Royalty payable by the Company to Medtronic under the Services Agreements from 4% to 2%. In addition, the Company is not required to fulfill the terms in the Services Agreements to an increase in the Royalty Cap to RMB 600,000,000 and to a one-time payment of RMB 300,000,000 upon a change of control of the Company ; and 3) no royalty shall be payable by the Company under the Services Agreements on any net sales of licensed products, i.e. cardiac rhythm device and medical lead defined in the Cardiac Rhythm Device License Agreement and in the Medical Lead License Agreement.

The Board is of the view that the Amendment and Supplemental Agreements will benefit the long-term and steady development of the Company in an independent way, which is in line of the Company's interest and the interests of the Company's shareholders. There is no other change to the Supply and Exclusive Distribution Agreement under the New Transaction Agreements, the Distribution Agreements and the Services Agreements save as disclosed in this announcement, and it would not affect the Company's strategic cooperation with Medtronic on HeartTone[®] pacemaker and future opportunities to expand such strategic collaboration.

This announcement is made by LifeTech Scientific Corporation pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 15 October 2012, 6 January 2013, 15 June 2014 and 28 July 2014 (the "**Announcements**") and the circulars of the Company dated 6 January 2013 and 21 August 2014 (the "**Circulars**") in relation to, among others, the entering of the Supply and Exclusive Distribution Agreement under the New Transaction Agreements, the Distribution Agreements and the Services Agreements. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements and Circulars.

FIRST AMENDMENT AGREEMENT TO THE SUPPLY AND EXCLUSIVE DISTRIBUTION AGREEMENT UNDER THE NEW TRANSACTION AGREEMENTS AND FIFTH SUPPLEMENTAL AGREEMENT TO THE DISTRIBUTION AGREEMENTS

Pursuant to the First Amendment Agreement to the Supply and Exclusive Distribution Agreement under the New Transaction Agreements and the Fifth Supplemental Agreement to the Distribution Agreements, in consideration of HK\$1.00 payable by the Company or its affiliates to Medtronic, Medtronic's rights in respect of the ROFN over the existing and future cardiac or vascular related products including the products of cardiac rhythm device and medical lead shall terminate from and after the Effective Date.

FIFTH SUPPLEMENTAL AGREEMENT TO THE SERVICES AGREEMENTS

Under the Fifth Supplemental Agreement to the Services Agreements, in consideration of HK\$1.00 payable by the Company to Medtronic, it is agreed among the Parties that:

- (i) Medtronic agrees that from and after the Effective Date, the following rights under the Services Agreements shall terminate: (a) an increase in the Royalty Cap to RMB 600,000,000, and (b) a one-time payment of RMB 300,000,000 payable by the Company to Medtronic upon a change of control of the Company;

- (ii) the rate of Royalty payable by the Company to Medtronic under the Services Agreements shall be reduced to 2% from 4%; and
- (iii) no royalty shall be payable by the Company under the Services Agreements on any net sales of licensed products, i.e. cardiac rhythm device and medical lead defined in the Cardiac Rhythm Device License Agreement and in the Medical Lead License Agreement.

The Amendment and Supplemental Agreements are made in consideration of the mutual strategic development between the Company and Medtronic, which will benefit the long-term and steady development of the Company in an independent way, in line of the Company’s interest and the interests of the Company’s shareholders. There is no other change to the Supply and Exclusive Distribution Agreement under the New Transaction Agreements, the Distribution Agreements and the Services Agreements save as disclosed in this announcement, and it would not affect the Company’s strategic cooperation with Medtronic on HeartTone® pacemaker and future opportunities to expand such strategic collaboration.

DEFINITIONS

Capitalised terms used in this announcement shall have the same meaning as defined in the Announcements and the Circulars, save as otherwise prescribed in this announcement or defined as follows:

- “Cardiac Rhythm Device License Agreement” means the cardiac rhythm device license agreement entered into among the Company, Medtronic Singapore and Lifetech (Shenzhen) dated 25 July 2014
- “Company” LifeTech Scientific Corporation, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange after being transferred from the Growth Enterprise Market of the Stock Exchange on 6 November 2013 (Stock Code: 1302)
- “Effective Date” 5 May 2018

“Fifth Supplemental Agreement to the Distribution Agreements”

the fifth supplemental agreement to the Distribution Agreement dated 3 August 2018, amending the Supply and Exclusive Distribution Agreement which was made and entered into on 14 October, 2012, the Supplemental Agreement Relating to Supply and Exclusive Distribution Agreement dated 5 January 2013, the Second Supplemental Agreement to Supply and Exclusive Distribution Agreement dated 13 June 2014, the Third Supplemental Agreement Relating to (i) Supply and Exclusive Distribution Agreement and (ii) Services Agreement (Termination Agreements Relating to Heart Valve Only) dated 2 November 2015, and the Fourth Supplemental Agreement Relating to (i) Supply and Exclusive Distribution Agreement and (ii) Services Agreement (Termination Arrangements Relating to Occluders) dated 20 September 2016

“Fifth Supplemental Agreement to the Services Agreements”

the fifth supplemental agreement to the Services Agreement dated 3 August 2018, amending the Services Agreement which was made and entered into on October 14, 2012, the Supplemental Services Agreement Relating to the Services Agreement dated 5 January 2013, the Second Supplemental Agreement Relating to Services Agreement dated 13 June 2014, the Third Supplemental Agreement relating to (i) Supply and Exclusive Distribution Agreement and (ii) Services Agreement (Termination Agreements Relating to Heart Valve Only) dated 2 November 2015, and the Fourth Supplemental Agreement relating to (i) Supply and Exclusive Distribution Agreement and (ii) Services Agreement (Termination Arrangements Relating to Occluders) dated 20 September 2016

“First Amendment Agreement to the Supply and Exclusive Distribution Agreement under the New Transaction Agreements”

the first amendment agreement to the Supply and Exclusive Distribution Agreement dated 3 August 2018, amending the supply and exclusive distribution agreement which was made and entered into on 25 July, 2014

“Lifetech (Shenzhen)”	means a subsidiary of the Company duly organised under the laws of the PRC and having its principal place of business in Shenzhen
“Medical Lead License Agreement”	means the medical lead license agreement entered into among the Company, Lifetech (Shenzhen) and Medtronic Singapore dated 25 July 2014
“Medtronic Singapore”	means Medtronic Singapore Operations Pte Ltd., a corporation duly organized under the laws of Singapore and having its principal place of business at 49 Changi South Ave 2, Nasaco Tech Centre, Singapore 486056 Singapore
“Parties”	the parties to the Fifth Supplemental Agreement, i.e. the Company and Medtronic
“ROFN”	means that Medtronic have the right of first negotiation to become the exclusive, world-wide distributor of each and every existing and future cardiac or vascular related product that are developed by, manufactured by, licensed to, owned by, or otherwise available to Lifetech or either of their Affiliates as such products become approved for commercial sale or available for distribution in any part of the relevant territories
“Services Agreements”	the services agreement dated 14 October 2012 entered into between the Company and Medtronic for the provision of certain services by Medtronic to the Company, together with the supplemental agreement dated 5 January 2013 entered into between the Company and Medtronic and the Second Supplemental Services Agreement

By Order of the Board
LifeTech Scientific Corporation
XIE Yuehui
*Chairman, Chief Executive Officer
and Executive Director*

Hong Kong, 3 August 2018

As at the date of this announcement, the Board comprises Mr. XIE Yuehui, Mr. ZHANG Deyuan and Mr. LIU Jianxiong being executive Directors; Mr. JIANG Feng being non-executive Directors; and Mr. LIANG Hsien Tse Joseph, Mr. WANG Wansong and Mr. ZHOU Luming being independent non-executive Directors.