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LifeTech Scientific Corporation

先健科技公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1302)

MAJOR TRANSACTION IN RELATION TO THE CONSTRUCTION CONTRACT

Reference is made to the Announcement of the Company dated 5 July 2013 in relation to the acquisition of the Land Use Right in respect of the Land by its wholly-owned subsidiary, Lifetech Shenzhen.

The Board is pleased to announce that on 19 December 2014, Lifetech Shenzhen entered into the Original Construction Contract with the Contractor pursuant to which the Contractor has agreed to undertake the Construction Work for the Company at the Contract Price. The Original Construction Contract was subsequently supplemented by the Supplemental Agreement entered into between Lifetech Shenzhen and the Contractor dated 19 December 2014.

The Directors consider that the terms of the Construction Contract and the Contract Price are fair and reasonable and in the interests of the Company and its Shareholders as a whole. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Contractor and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Construction Contract are more than 25% but less than 100%, the transaction contemplated under the Construction Contract constitutes a major transaction of the Company and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

A circular containing, among other things, details of the Construction Contract and other information as required under the Listing Rules will be despatched to the Shareholders as soon as possible but in any event on or before 13 January 2015.

Reference is made to the Announcement of the Company dated 5 July 2013 in relation to the acquisition of the Land Use Right in respect of the Land by its wholly-owned subsidiary, Lifetech Shenzhen. As disclosed in the Announcement, Lifetech Shenzhen successfully acquired the Land Use Right in respect of the Land.

THE CONSTRUCTION CONTRACT

The Board is pleased to announce that on 19 December 2014, Lifetech Shenzhen entered into the Original Construction Contract with the Contractor pursuant to which the Contractor has agreed to undertake the Construction Work for the Company at the Contract Price. The Original Construction Contract was subsequently supplemented by the Supplemental Agreement entered into between Lifetech Shenzhen and the Contractor dated 19 December 2014.

The Original Construction Contract

A summary of the principle terms of the Original Construction Contract is as follows:

Date: 19 December 2014

Parties: (1) Lifetech Shenzhen; and

(2) the Contractor

(Lifetech Shenzhen and the Contractor are collectively referred to as the “**Parties**”)

Construction Work

Pursuant to the Original Construction Contract, the Contractor is responsible for constructing a Building comprising offices, commercial facilities, canteen and carparks which will be located in Shenzhen, the PRC with a gross construction floor area of approximately 45,998.3 square metres.

Contract Price

The Contract Price for the Construction Work is up to an aggregate amount of RMB250,000,000 which is subject to up to 18% downward adjustments that are customary within the PRC construction industry and includes but is not limited to the labour cost, material cost, the fees for construction of infrastructure, installation of facilities and construction management, testing fees, inspection fees and other construction cost. The Contract Price was determined after arm’s length negotiations with the Contractor and is based on normal commercial terms with reference to the expertise, experience and market position of the Contractor, along with the complexity and amount of the construction work involved.

It is intended that the Contract Price will be financed by borrowings, internal resources of the Group and any other means as the Group considers appropriate.

Payment terms

95% of the Contract Price shall be paid by Lifetech Shenzhen within eleven (11) months after the completion, inspection and acceptance of the Construction Work basically in accordance with the progress of the Construction Work. The remaining 5% shall be paid by Lifetech Shenzhen within the first month of the two (2) years after the completion, inspection and acceptance of the Construction Work, subject to any deduction as a result of any maintenance work.

Duration of the Construction Work

According to the Original Construction Contract, the duration of the Construction Work is to be mutually agreed by the Parties, which is expected to complete within 480 days after commencement of the Construction Work.

Supplemental Agreement

On 19 December 2014, Lifetech Shenzhen entered into the Supplemental Agreement with the Contractor to supplement the Original Construction Contract, pursuant to which the Construction Contract shall become effective upon satisfaction of a new condition precedent (the “**Condition**”) being the approval, by way of an ordinary resolution having passed by Shareholders at a meeting duly convened for such purpose and in accordance with the Listing Rules, for Lifetech Shenzhen entering into the Construction Contract and the transactions contemplated thereunder.

If the Condition is not satisfied, the Construction Contract will become null and void without any liability whatsoever on the part of any Parties, except as provided as follows:-

1. The Contractor shall refund the full amount of any payment made by Lifetech Shenzhen to the Contractor after the execution of the Construction Contract and before the Construction Contract coming into effect, regardless of whether any such payment has been used for any related Construction Work.
2. Lifetech Shenzhen shall not be required to make any payment for any amount payable to the Contractor under or in connection with the Construction Contract in the period after the execution of the Construction Contract and before the Construction Contract coming into effect.

3. Except as the Parties may agree otherwise, the Contractor shall not seek for any compensations or any payment for expenses or make any claims under or in connection with any Construction Work completed (or any part thereof) pursuant to the Construction Contract during the period after the execution of the Construction Contract and before the Construction Contract coming into effect.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE CONSTRUCTION CONTRACT

One of the Group's main business activities is the production of advanced medical devices. It has always been the Group's intention to expand its production capacity by constructing new manufacturing facilities and purchasing new production and testing equipment. In view of this, entering into of the Construction Contract enables the Group to develop the Land and construct a Building thereupon. The Group intends to use a part of the Building to develop and manufacture new products and stimulate its business development.

The Directors consider that the terms of the Construction Contract and the Contract Price are fair and reasonable and in the interests of the Company and its Shareholders as a whole. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Contractor and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

LISTING RULES IMPLICATIONS

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Construction Contract are more than 25% but less than 100%, the transaction contemplated under the Construction Contract constitutes a major transaction of the Company and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

If the amounts payable under the Construction Contract have to be adjusted in the course of construction, the Company will re-assess its compliance with the disclosure requirements of the Listing Rules and will make further announcement as required under the Listing Rules where appropriate.

A circular containing, among other things, details of the Construction Contract and other information as required under the Listing Rules will be despatched to the Shareholders as soon as possible but in any event on or before 13 January 2015.

INFORMATION ON THE COMPANY, LIFETECH SHENZHEN AND THE CONTRACTOR

The Company is a developer, manufacturer and marketer of advanced minimally invasive interventional medical devices for cardiovascular and peripheral vascular diseases and disorders.

The Group is dedicated to researching, developing, manufacturing and marketing advanced minimally invasive interventional medical devices for cardiovascular and peripheral vascular diseases and disorders, with a global reach and has subsidiaries in China, the Netherlands, India, Russia and France. As a leading medical device company in China with 15 years of history, the Company has built up a strong worldwide sales network, offering a broad range of products to over 70 countries across Asia, Europe, South America, North America and Africa.

Lifetech Shenzhen is a wholly-owned operating subsidiary of the Company based in Shenzhen, the PRC and engages in the manufacturing of medical devices.

Based on the information publicly available and provided by the Contractor, the Contractor is principally engaged in undertaking building construction work in the PRC, which includes the provision of services through engineering and procurement contracts. The Directors consider that the Contractor would be suitable for carrying out the Construction Work as the Contractor is a reputed construction enterprise and has expertise and a track record of carrying out construction work in the PRC.

DEFINITION

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Announcement”	the announcement in relation to the acquisition of Land Use Right published by the Company dated 5 July 2013
“Board”	the board of Directors of the Company
“Building”	the building to be constructed on the Land
“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 Growth Enterprise Market of the Stock Exchange on 6 November 2013 (Stock Code: 1302)

“Construction Contract”	the Original Construction Contract as supplemented by the Supplemental Agreement
“Construction Work”	the construction work to be carried out under the Construction Contract involving the construction of the Building, which shall be located in Shenzhen, the PRC with a gross construction floor area of approximately 45,998.3 square metres
“Contractor”	CCFED the Third Construction & Engineering Co.* (中建四局第三建築工程有限公司)
“Contract Price”	the total consideration price payable by Lifetech Shenzhen to the Contractor under the Construction Contract up to an aggregate amount of RMB250,000,000, subject to up to 18% downward adjustments
“Director(s)”	directors of the Company or any one of them
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Land”	a piece of land of 4,715.41 square metres situated at Gaoxin South 1st Road, Nanshan Gaoxin District, Shenzhen, the PRC (中國深圳市南山區科技園南區高新南一道)
“Land Use Right”	the contract for the grant of land use right dated 19 February 2013 entered into between Lifetech Shenzhen and the Bureau of Planning and Land Resources Committee of Shenzhen, Second Municipal Branch* (深圳市規劃和國土資源委員會第二直屬管理局)
“Lifetech Shenzhen”	Lifetech Scientific (Shenzhen) Co., Ltd.* (先健科技(深圳)有限公司) a wholly-owned subsidiary of the Company duly established under the laws of the PRC and having its principal place of business in Shenzhen, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Original Construction Contract”	the construction contract entered into between the Contractor and Lifetech Shenzhen on 19 December 2014 in respect of the Construction Work
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Taiwan and Macau Special Administrative Region
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement in respect of the Original Construction Contract dated 19 December 2014 and entered into between Lifetech Shenzhen and the Contractor dated 19 December 2014

By order of the Board
LifeTech Scientific Corporation
XIE Yuehui
Chairman and Executive Director

Hong Kong, 19 December 2014

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. WU Jianhui, Mr. MARTHA Geoffrey Straub, Dr. LIDDICOAT John Randall and Mr. JIANG Feng being non-executive Directors of the Company; and Mr. LIANG Hsien Tse Joseph, Mr. ZHOU Luming and Mr. ZHOU Gengshen being independent non-executive Directors of the Company.

* *For identification purpose only.*