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**LifeTech Scientific Corporation**

**先健科技公司**

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

**(Stock Code: 1302)**

**NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS  
IN RELATION TO**

- (1) THE CARDIAC RHYTHM DEVICE LICENSE AGREEMENT AND  
MEDICAL LEAD LICENSE AGREEMENT**
- (2) THE PACEMAKER CONSULTING SERVICES AGREEMENT**
- (3) THE MANUFACTURING AGREEMENT**
- (4) THE EQUIPMENT AND COMPONENTS SUPPLY AGREEMENT**
- (5) THE SUPPLY AND EXCLUSIVE DISTRIBUTION AGREEMENT**

**AND**

**NON-EXEMPT CONNECTED TRANSACTION  
IN RELATION TO**

- (6) THE EQUIPMENT AND COMPONENTS SUPPLY AGREEMENT**

The Board is pleased to announce that the Company and Medtronic by themselves or through their Affiliates, have entered into a series of agreements, namely the cardiac rhythm device license agreement, the medical lead license agreement, the pacemaker consulting services agreement, the manufacturing agreement, the equipment and components supply agreement and the supply and exclusive distribution agreement (collectively, the “**New Transaction Agreements**”) to expand their strategic alliance to include Pacing Products manufactured in and for China.

## **THE NEW TRANSACTION AGREEMENTS**

As disclosed in the Announcements, on 14 October 2012, the Company entered into a strategic alliance with Medtronic through a series of agreements in relation to Medtronic's investment in the Company, and the distribution arrangement and provision of consulting services by Medtronic to the Company in relation to certain medical products (the "**Existing Agreements**").

To expand this alliance to include pacemaker and cardiac lead products, Medtronic, by itself or through its Affiliates, entered into the New Transaction Agreements with the Company or its Affiliates on 25 July 2014.

As this collaboration between the Company and Medtronic for the transactions contemplated under the New Transaction Agreements qualifies as a product development milestone as specified in the Investment Agreement, the conversion price of the second tranche convertible notes issued by the Company to Medtronic shall be adjusted pursuant to the relevant adjustment mechanism under the Investment Agreement. Details of such adjustment have been disclosed in the Company's circular dated 6 January 2013.

## **LISTING RULES IMPLICATIONS ON THE NEW TRANSACTION AGREEMENTS**

As Medtronic is a substantial shareholder of the Company holding approximately 19% of the issued share capital of the Company and hence a connected person of the Company under the Listing Rules, the transactions contemplated under the New Transaction Agreements (except in relation to the transfer of equipment pursuant to the Equipment and Components Supply Agreement) constitute non-exempt continuing connected transactions of the Company as defined under Chapter 14A of the Listing Rules. Given that the transfer of equipment from Medtronic to the Company for the manufacturing of Pacemaker Products is a one-off transaction, it constitutes a non-exempt connected transactions under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profit ratio) calculated under Rule 14.07 of the Listing Rules for the annual caps for the New Transaction Agreements are higher than 5%, the transactions under the New Transaction Agreements are therefore subject to the reporting, announcement and Independent Shareholders' approval requirements under the relevant Listing Rules. As the New Transaction Agreements are inter-related with one another, the Effective Date of each of the New Transaction Agreements is subject to Independent Shareholders' Approval for all of them. Thus, in the event that one of the New Transaction Agreements is not approved by the Independent Shareholders, all of the New Transaction Agreements will not become effective.

The Independent Board Committee has been formed to provide recommendation to the Independent Shareholders in relation to the New Transaction Agreements and the transactions contemplated thereunder. Optima has been appointed to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the terms of the New Transaction Agreements as well as whether it is a normal business practice for the types of the New Transaction Agreements to be of a duration longer than 3 years under Rule 14A.52 of the Listing Rules.

The Company expects that a circular containing, among other things, (i) details of the New Transaction Agreements; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from an independent financial adviser to the Independent Board Committee and the Independent Shareholders; and (iv) other information as required under the Listing Rules will be dispatched to the Shareholders on or before 25 August 2014, as additional time is required to prepare and finalise the information for inclusion in the circular.

As disclosed in the Announcements, on 14 October 2012, the Company and Medtronic, by themselves or through their respective Affiliates, entered into a strategic alliance through the Existing Agreement, some of which were subsequently amended by supplemental agreements on 5 January 2013, 24 January 2014 and 13 June 2014. Pursuant to these agreements, Medtronic has invested in the Company and has started collaboration with the Company in connection with certain cardiovascular products.

To expand this alliance to include pacemaker and cardiac lead products to be manufactured and commercialized in China for the China market, the Company, by itself or through its Affiliates, entered into the New Transaction Agreements with Medtronic or its Affiliates on 25 July 2014. Under the New Transaction Agreements, Medtronic and its Affiliates will provide the Company or its Affiliates with (i) licenses to know-how and other intellectual property; (ii) certain consulting services; (iii) certain equipment and components; (iv) manufacturing capabilities and (v) marketing, promotion and distribution in connection with certain implantable cardiac rhythm management products to be developed and manufactured by the Company at the Company's facility in Shenzhen, the PRC.

As this collaboration between the Company and Medtronic for the transactions contemplated under the New Transaction Agreements qualifies as a product development milestone as specified in the Investment Agreement, the conversion price of the second tranche convertible notes issued by the Company to Medtronic shall be adjusted pursuant to the relevant adjustment mechanism under the Investment Agreement. Details of such adjustment have been disclosed in the Company's circular dated 6 January 2013.

**Particulars of the New Transaction Agreements, all of which dated 25 July 2014, are described as follows:**

**(I) NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS**

(1) The Cardiac Rhythm Device License Agreement and the Medical Lead License Agreement

Parties:	(i) Medtronic Singapore; (ii) the Company; and (iii) Lifetech (Shenzhen).
Term:	Commencing from the Effective Date and shall continue in effect in perpetuity unless earlier termination by the parties.
Nature of transaction:	Pursuant to the Cardiac Rhythm Device License Agreement and the Medical Lead License Agreement (collectively, the “ <b>License Agreements</b> ”), Medtronic Singapore will grant to the Company a non-exclusive, royalty-bearing, non-transferable license to the Licensed Intellectual Property in China together with any Licensed Trademark for the design, assembly and sale of pacemakers and for lead which are used with Pacemaker Products.
Royalty:	In consideration for the license granted under each of the License Agreements, the Company will pay Medtronic a fixed rate of the Company’s net sales of the implantable cardiac rhythm therapy device to a third party or Medtronic. Royalties payable under the Existing Agreements will be non-stacking.
Payment Term:	The Company will pay Medtronic Singapore royalties incurred in each Reporting Period within 60 days after the Company’s financial report for the Reporting Period of the Company becomes publicly available.

Annual caps and basis of calculation:

As the sale of the implantable cardiac rhythm therapy devices is subject to Regulatory Approvals in the PRC and the Company expects to commence distribution of the implantable cardiac rhythm therapy devices in the calendar year of 2019, the relevant proposed annual caps for the transactions under the License Agreements for the three years ending 31 December 2019, 2020 and 2021 are set out as follows (in RMB millions):

<b>2019</b>	<b>2020</b>	<b>2021</b>
9.3	14.6	24.8

The above proposed annual caps are determined based on several factors including (i) the promising prospects of the pacemaker market in the PRC in terms of market size, averaging selling prices and estimated growth rate based on the third party market research; (ii) the projected sales of pacemakers based on the annual sales targets, the estimated growth rate of sales, and the estimated transfer price of the Lead Products; and (iii) the average licensing fee rates from comparable transactions in the cardiacvascular field.

## (2) The Pacemaker Consulting Services Agreement

Parties:	(i) Medtronic; (ii) the Company; and (iii) Lifetech (Shenzhen).
Term:	10 years from the Effective Date. It will be automatically renewed for periods of one (1) year unless a party provides a notice of non-renewal at least 90 days in advance.
Nature of transaction:	Pursuant to the Pacemaker Consulting Services Agreement, Medtronic will provide, amongst others, the following services to the Company:  (i) Development resources to assist with the creation of local portfolio of pacemakers and lead including branding, programming, packaging, and technical communications;

- (ii) Quality, operations, facilities, finance and IT engineering resources to assist with the planning, implementation, qualification, validation, and training the Company's employees to operate local pacemaker line;
- (iii) Type testing, regulatory, clinical trial design and execution, government affairs resources to support CFDA registrations by the Company; and
- (iv) Commercialization support including market research, branding, support for establishing compatible enterprise resource planning systems, and sales forecasts.

Medtronic will deploy full-time expatriate employees on-site at the Company's Shenzhen facility in the PRC to provide and/or coordinate the above services. There will also be several employees at Medtronic's global sites who will provide support to the Company for the above-mentioned services, for full or partial allocation of their time.

Additionally, Medtronic will provide the Company, post-commercialization support on the Company's behalf, ongoing maintenance or service to the capital equipment required, and additional engineering support for new or existing products of the Company. The cost of these services will be determined when services are requested.

Service Fee:

Medtronic shall charge the Company, on a quarterly basis, a service fee which is in principle calculated based on the actual fully burdened costs incurred by Medtronic for providing the above services. However, under no circumstances will the service fees exceed the agreed annual budget by more than 20% without prior written approval of the Joint Operating Committee.

Payment Term: The Company will pay Medtronic the service fees within 60 days after the Company's receipt of the respective service fee invoice from Medtronic at the end of each Quarter starting from the Effective Date.

Annual caps and basis of calculation:

The proposed annual caps for the transactions under the Pacemaker Consulting Services Agreement for the years ending 31 December 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023 are as follows (in RMB millions):

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
90.5	105.1	108.9	108.8	67.8	37.0	52.6	47.2	18.1	5.0

The above proposed annual caps are determined based on (i) the cost estimate based on comparable clinical studies; (ii) estimated labour cost of Medtronic in the coming 10 years; and (iii) third party research on expatriates cost in the PRC.

### (3) The Manufacturing Agreement

Parties: (i) Medtronic Singapore;  
(ii) the Company;  
(iii) Lifetech (Shenzhen); and  
(iv) Lifetech (Europe).

Term: Commencing on the Effective Date and, unless sooner terminated as provided under the Manufacturing Agreement, shall continue in effect for a term of 10 years. Thereafter, the Manufacturing Agreement will be automatically renewed for periods of one (1) year unless a party provides a notice of non-renewal at least 90 days in advance.

Nature of transaction: Pursuant to the Manufacturing Agreement, Lifetech (Europe) will appoint Medtronic Singapore as the manufacturer and supplier for the Lead Products. Lifetech (Europe) will be responsible for registering the Lead Products in Europe and the PRC, and obtaining and maintaining all relevant Regulatory Approvals.

Pricing: Lifetech (Shenzhen) will pay Medtronic Singapore a supply price for Lead Products as specified under the Manufacturing Agreement (the “**Supply Price for Lead Products**”). The Supply Price for Lead Products may be adjusted by the parties from time to time in good faith to the extent the parties mutually agree.

Payment Term: Lifetech (Shenzhen) shall pay all Medtronic Singapore’s invoices no later than sixty (60) days from the date of delivery of the Lead Products or the date of invoice, whichever is later.

Annual caps and basis of calculation:

As the Company builds up the supply and prepares for the distribution of the Lead Products in the PRC, the proposed annual caps for the transactions under the Manufacturing Agreement for the years ending 31 December 2017, 2018, 2019, 2020, 2021, 2022 and 2023 are set out as follows (in RMB millions):

<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
11.1	28.9	48.7	76.9	112.4	164.6	223.8

The above proposed annual caps are determined based on a number of factors including (i) the promising prospects of the pacemaker market in the PRC in terms of market size, averaging selling prices and estimated growth rate based on the third party market research in the coming 10 years; and (ii) the projected sales of Lead Products based on the annual sales targets, the estimated growth rate of sales, and the estimated transfer price of the Lead Products in the coming 10 years.



(4) The Supply of Components pursuant to the Equipment and Components Supply Agreement

- Parties: (i) Medtronic Singapore;  
(ii) the Company; and  
(iii) Lifetech (Shenzhen).
- Term: Commencing on the Effective Date and, unless sooner terminated pursuant to the Equipment and Components Supply Agreement, shall continue in effect for a term of ten (10) years. Thereafter, the Equipment and Components Supply Agreement will be automatically renewed for periods of one (1) year unless a party provides a notice of non-renewal at least ninety (90) days in advance.
- Nature of transaction: Pursuant to the Equipment and Components Supply Agreement, Medtronic Singapore will be the exclusive supplier of components to Lifetech (Shenzhen). Medtronic Singapore will provide the components in accordance with the specifications set forth by the Company.
- Pricing: Lifetech (Shenzhen) will pay Medtronic Singapore a supply price for the components as specified under the Equipment and Components Supply Agreement (the “**Supply Price for Components**”).  
The Supply Price for Components for subsequent years after Year One (as defined below) will float with any adjustment of the Unit Price (as defined below) of the corresponding finished Pacemaker Products under the Supply and Exclusive Distribution Agreement.  
Lifetech (Shenzhen) will pay all of the invoices of Medtronic Singapore for the components within sixty (60) days after the date of invoice or the date of delivery, whichever is later.

Annual caps and basis of calculation:

As the Company builds up the supply and prepares for the distribution of the Pacemaker Products in the PRC, the proposed annual caps for the transactions in relation to the supply of components under the Equipment and Components Supply Agreement for the years ending 31 December 2017, 2018, 2019, 2020, 2021, 2022 and 2023 are as follows (in RMB millions):

<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
50.8	110.2	148.7	211.4	297.4	414.9	528.7

The above proposed annual caps are determined based on (i) market value of the components; (ii) the promising prospects of the pacemaker market in the PRC in terms of market size, averaging selling prices and estimated growth rate based on the third party market research; (iii) estimated demand of the components based on the annual sales targets, the estimated growth rate of sales, and the estimated transfer prices of the pacemaker components in the coming years.

#### (5) The Supply and Exclusive Distribution Agreement

Parties:	(i) Medtronic China; (ii) the Company; and (iii) Lifetech (Shenzhen).
Term:	Commencing on the Effective Date and, unless sooner terminated pursuant to the Equipment and Components Supply Agreement, shall continue in effect for a term of ten (10) years. Thereafter, the Equipment and Components Supply Agreement will be automatically renewed for periods of one (1) year unless a party provides a notice of non-renewal at least ninety (90) days in advance.
Nature of transaction:	Pursuant to the Supply and Exclusive Distribution Agreement, the Company will grant Medtronic China exclusive distribution rights to Pacing Products in the PRC for 10 years. Medtronic China and its sub-distributors will have the exclusive right to advertise, promote, market, distribute, sell and provide technical case support for the Company's Pacing Products in the PRC.

Further, Medtronic China shall provide customer and physician training as necessary. Actual distribution for a specific Pacing Product will not commence until the applicable proper Regulatory Approval has been obtained for that product by Lifetech (Shenzhen).

**Pricing:**

For each type of Pacing Products purchased by Medtronic under this agreement during the period commencing from the Start Date and for 365 days thereafter (“**Year One**”), Medtronic China shall pay to Lifetech Shenzhen a per-type of Product, per-unit price (“**Unit Price**”).

The Unit Price for the Pacing Products for the second year of this agreement (“**Year Two**”) immediately following Year One may be adjusted by the Parties upon mutual agreement in good faith within 30 days of the expiry of Year One. The Year Two Unit Price may be adjusted by the Parties upon mutual agreement in good faith within 30 days of the expiry of Year One. The same formula shall be used to adjust the Unit Price for the Pacing Products during the third and subsequent years of this agreement.

**Payment Term:**

Medtronic China’s payments to Lifetech (Shenzhen) shall be 60 days after the date of invoice or the date of delivery, whichever is later.

**Annual caps and basis of calculation:**

As Medtronic and the Company anticipate that the distribution of the Pacing Products will commence in 2019, the proposed annual caps for the transactions under the Supply and Exclusive Distribution Agreement for the years ending 31 December 2019, 2020, 2021, 2022 and 2023 are as follows (in RMB millions):

<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
77.7	122.0	208.1	303.8	433.5

The above proposed annual caps are determined based on (i) the promising prospects of the pacemaker market in the PRC in terms of market size, averaging selling prices and estimated growth rate based on the third party market research; (ii) the projected sales of Pacing Products based on the annual sales targets, the estimated growth rate of sales, and the estimated transfer price of the Pacemaker Products and the Lead Products.

## (II) NON-EXEMPT CONNECTED TRANSACTION

### (1) The Transfer of Equipment pursuant to the Equipment and Components Supply Agreement

Parties: (i) Medtronic Singapore;  
(ii) the Company; and  
(iii) Lifetech (Shenzhen).

Term: Commencing on the Effective Date and, unless sooner terminated pursuant to the Equipment and Components Supply Agreement, shall continue in effect for a term of 10 years. Thereafter, the Equipment and Components Supply Agreement will be automatically renewed for periods of one (1) year unless a party provides a notice of non-renewal at least 90 days in advance.

Nature of transaction: Pursuant to the Equipment and Components Supply Agreement, Medtronic Singapore agrees to transfer to Lifetech (Shenzhen) all the right, title and interest in its previously in-use equipment (the “**In-Use Equipment**”) and other equipment which is newly procured by Medtronic Singapore and will then be transferred to Lifetech (Shenzhen) (the “**Medtronic Singapore Procured Equipment**”) for the manufacturing of Pacemaker Products.

**Pricing:** Lifetech (Shenzhen) will pay Medtronic Singapore the transfer price commensurate with the book value at the time of transfer of the In-Use Equipment and at cost of procurement for the Medtronic Singapore Procured Equipment.

**Payment Term:** Lifetech (Shenzhen) will pay for the equipment within 60 days after the date of invoice or the date of delivery, whichever is later.

As the transfer of equipment pursuant to the Equipment and Components Supply Agreement is a one-off connected transaction, no annual caps are required under the Listing Rules.

### **INFORMATION ON MEDTRONIC, MEDTRONIC SINGAPORE AND MEDTRONIC CHINA**

To the best understanding, knowledge and belief of the Directors, Medtronic is one of the largest medical technology companies based in the United States composed of six main business units which develop and manufacture medical devices and therapies. Medtronic was incorporated under the laws of Minnesota on 23 April, 1957, and its shares are listed on the New York Stock Exchange. As Medtronic is a substantial shareholder of the Company holding an equity interest of 19% in the Company, it is accordingly a connected person as defined under the Listing Rules.

Medtronic Singapore is principally engaged in the manufacture of implantable cardiac rhythm devices as well as the sales, marketing and distribution of products of Medtronic. Medtronic China is principally engaged in sales, marketing, distribution, regulatory, clinical and research and development for products of Medtronic in the PRC.

### **INFORMATION ON THE COMPANY, LIFETECH (SHENZHEN) AND LIFETECH SCIENTIFIC (EUROPE)**

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, 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 30 countries across Asia, Europe, South America, North America and Africa.

Lifetech (Shenzhen) and Lifetech Scientific (Europe) are the operating subsidiaries of the Group based in Shenzhen, the PRC, and Netherlands respectively, which are engaged in assembling and manufacturing pacemaker products under the New Transaction Agreements.

## **REASONS AND BENEFITS OF THE NEW TRANSACTION AGREEMENTS TO THE COMPANY**

The primary purpose of this expanded strategic alliance to include pacemakers manufactured in and for the PRC is to position the Company as a leader in the emerging local cardiac rhythm management segment. Under this partnership, the Company will develop a portfolio of pacemaker and cardiac lead products, and establish pacemaker manufacturing capabilities at its facility in Shenzhen, the PRC. As the world's leading pacemaker manufacturer, Medtronic will provide the know-how, technology, training, and critical components to support the Company's entry into the Chinese pacing segment. The Board believes that entering into the local pacemaker market will enable the Company to generate significant revenue growth.

In addition, Medtronic will have the opportunity to partner with the Company on commercialization of the Company's portfolio of pacemakers and lead products, which will further leverage the synergies and expertise between both companies.

## **IMPLICATION OF THE TRANSACTION UNDER THE MAINBOARD LISTING RULES**

As Medtronic is a substantial shareholder of the Company holding approximately 19% of the issued share capital of the Company and hence a connected person of the Company under the Listing Rules, the transactions contemplated under the New Transaction Agreements (except in relation to the transfer of equipment pursuant to the Equipment and Components Supply Agreement) constitute non-exempt continuing connected transactions of the Company as defined under Chapter 14A of the Listing Rules. Given that the transfer of equipment from Medtronic to the Company for the manufacturing of the Pacemaker Products is a one-off transaction, it constitutes a non-exempt connected transactions under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profit ratio) calculated under Rule 14.07 of the Listing Rules for the annual caps under the New Transaction Agreements are higher than 5%, the transactions under the New Transaction Agreements are therefore subject to the reporting, announcement and Independent Shareholders' approval requirements under the relevant Listing Rules. As the New Transaction Agreements are inter-related with one another, the Effective Date of each of the New

Transaction Agreements depends on Independent Shareholders' Approval for all of them. Thus, in the event that one of the New Transaction Agreements is not approved by the Independent Shareholders, all of the New Transaction Agreements will not become effective.

The Independent Board Committee has been formed, comprising all the independent non-executive Directors to provide recommendation to the Independent Shareholders in relation to the New Transaction Agreements and the transactions contemplated thereunder. In particular, the Independent Board Committee will advise the Independent Shareholders as to whether the terms and conditions are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote. None of the member of the Independent Board Committee has any material interest in the transactions contemplated under the New Transaction Agreements.

The Directors consider that the terms of the New Transaction Agreements are on normal commercial terms, fair and reasonable, and that the transactions thereunder are in the interests of the Company and the Shareholders as a whole.

Optima has been appointed to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the terms of the New Transaction Agreements as well as whether it is normal business practice for the types of the New Transaction Agreements to be of a duration longer than 3 years under Rule 14A.52 of the Listing Rules.

The Company expects that the circular containing, among other things, (i) further details of the New Transaction Agreements; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from an independent financial adviser to the Independent Board Committee and the Independent Shareholders; and (iv) other information as required under the Listing Rules will be dispatched to the Shareholders as soon as possible but in any event by 25 August 2014.

## DEFINITIONS

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

- “Affiliates” means any other entity that directly or indirectly through one or more intermediaries, Controls, or is controlled by, or is under common Control with, the first entity
- “Announcements” means the announcements published by the Company dated 15 October 2012, 27 January 2014 and 15 June 2014
- “Applicable Law” means any law, statute, code, rule, regulation, published interpretation, ordinance, directive, regulatory bulletin or guidance, regulatory examination or order, treaty, judgment, order, decree or injunction of any Governmental Authority that is applicable to or binding in the situation in which the term is used
- “Board” means the board of Directors of the Company
- “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
- “CFDA” means the China Food and Drug Administration and any successor agency having substantially the same functions
- “Company” means LifeTech Scientific Corporation, a company incorporated in the Cayman Islands with limited liability, the shares of which were listed on the Main Board of the Stock Exchange after being transferred from Growth Enterprise Market of the Stock Exchange on 6 November 2013
- “Control” means possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by contract or otherwise
- “Director(s)” means directors of the Company or any one of them



“Effective Date”	means the date when (i) each of the New Transaction Agreements have been duly signed by the authorized representatives of the respective parties to the agreements; or (ii) all of the New Transaction Agreements, as well as the transactions contemplated therein have been duly approved according to the Applicable Law and the Listing Rules (including without limitation the approval of the Independent Shareholders at a general meeting with respect to the New Transaction Agreements in accordance with the Listing Rules and the Articles of Association of the Company), whichever is later
“EGM”	means the extraordinary general meeting of the Company to be held for the purpose of approving the New Transaction Agreements
“Equipment and Components Supply Agreement”	means the equipment and components supply agreement entered into among the Company, Lifetech (Shenzhen) and Medtronic Singapore dated 25 July 2014
“Governmental Authority”	means any public, regulatory or governmental agency, or any arbitrator, tribunal or court of competent jurisdiction, administrative agency or commission or other relevant authority or instrumentality (in each case whether national, local, foreign, international or multinational)
“Group”	means the Company and its subsidiaries
“Independent Board Committee”	means an independent board committee of the Board, comprised of Mr. Liang Hsien Tse Joseph, Mr. Zhou Luming and Mr. Zhou Gengshen, being all the independent non-executive Directors, which has been formed to make recommendations to the Independent Shareholders in respect of the New Transaction Agreements

“Intellectual Property”	means any form of intellectual property including patents (including invention patents or utility models), trade dress, works of authorship, copyright, ideas, processes, trade secrets, know-how, design specifications, inventions, proprietary information, research and development data, pre-clinical and human data (de-identified), manufacturing procedures, suggestions, information, software, mask works, registered designs or design patents, or applications or priority rights for any of the foregoing but does not include trademarks or service marks
“Independent Shareholders”	means the shareholders of the Company who are not required to abstain from voting at the EGM under the Listing Rules
“Joint Operating Committee”	means the committee established by the Company and Medtronic for governance of operating issues including budget and milestones related to the transactions contemplated under the New Transaction Agreements
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Lead Products”	means such lead products as set forth in the Pacemaker Consulting Services Agreement, which shall be manufactured and commercialized under the Company’s brand pursuant to the Pacemaker Consulting Services Agreement, the Medical Lead License Agreement, the Contract Manufacturing Agreement and the Supply and Exclusive Distribution Agreement
“Licensed Intellectual Property”	means (a) Licensed Know-How, (b) Licensed Software, or (c) any Intellectual Property owned or controlled by Medtronic Singapore or its Affiliates and relating to improvements, modifications or changes that Medtronic Singapore or its Affiliates requested or directed the Company to incorporate in the Pacemaker Products or the Manufacturing thereof under any of the Equipment and Components Supply Agreement, Pacemaker Consulting Services Agreement, Manufacturing Agreement, or Supply and Exclusive Distribution Agreement

“Licensed Know-How”	means any non-patent and non-trademark Intellectual Property owned or controlled by Medtronic Singapore or its Affiliates, relating to manufacturing of the Pacemaker Products in China or supporting Regulatory Approval thereof, and taught or communicated by Medtronic Singapore to the Company under the Pacemaker Consulting Services Agreement. Without limiting the foregoing, “Licensed Know-How” includes trade dress, works of authorship, copyright, ideas, processes, trade secrets, know-how, design specifications, inventions, proprietary information, research and development data, pre-clinical and human data (de-identified), manufacturing procedures, suggestions, or information, so long as otherwise included in the definition of Licensed Know-How
“Licensed Software”	means any firmware installed or to be installed in (a) the Pacemaker Products and in components of the Pacemaker Products supplied to the Company by Medtronic Singapore under the Equipment and Components Supply Agreement, or (b) any software/firmware tester/programmer, supplied to the Company by Medtronic Singapore or its Affiliates under the Equipment and Components Supply Agreement, for loading, during manufacturing, software/firmware into a Pacemaker Product or testing such software/firmware, or (c) any programmer software application
“Licensed Trademark”	means any trademark or service mark suggested to the Company in writing by Medtronic Singapore for use by the Company in connection with any implantable cardiac rhythm therapy device and lead and registered by Medtronic Singapore or its Affiliates in the PRC for this purpose, or subject to an application for registration filed by Medtronic Singapore or its Affiliates in the PRC for this purpose
“Lifetech Bi-Annual Period”	means the six-month periods starting from 1 January and ending on 30 June, or starting from 1 July and ending on 31 December

“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 and a subsidiary of the Company
“Lifetech (Europe)”	means Lifetech Scientific (Europe) Coöperatief U.A., a corporation duly organized under the laws of the Netherlands and having its principal place of business at Kruisdonk, 64, 6222PH, Maastricht, Netherlands
“Lifetech Quarter”	means the calendar quarters starting from 1 January, 1 April, 1 July and 1 October and ending on 31 March, 30 June, 30 September and 31 December, respectively
“Manufacturing Agreement”	means the manufacturing agreement entered into among the Company, Lifetech (Shenzhen), Lifetech (Europe) and Medtronic Singapore dated 25 July 2014
“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”	means Medtronic, Inc., a company incorporated under the laws of Minnesota on 23 April 1957, the shares of which are listed on the New York Stock Exchange
“Medtronic China”	means Medtronic Shanghai Management Co., Ltd., a corporation duly organized under the laws of China and having its principal place of business at Block 11, No. 3000 Long Dong Avenue, Pudong, Shanghai. 201203, PRC
“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
“Optima”	Optima Capital Limited, a corporation licensed under the SFO to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser in respect of the New Transaction Agreements

“Pacemaker Consulting Services Agreement”	means the pacemaker consulting services agreement entered into among the Company, Medtronic and Lifetech (Shenzhen) dated 25 July 2014
“Pacemaker Products”	means such implantable pacemaker products as set forth in the Pacemaker Consulting Services Agreement, to be manufactured and commercialized under the Company’s brand pursuant to the Pacemaker Consulting Services Agreement, the Cardiac Rhythm Device License Agreement, the Equipment and Components Supply Agreement and the Supply and Exclusive Distribution Agreement
“Pacing Products”	means, collectively, the Pacemaker Products and the Lead Products
“PRC” or “China”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, Taiwan and Macau Special Administrative Region
“Quarter”	means the fiscal quarter in accordance with Medtronic’s fiscal year calendar to be provided by Medtronic on an annual basis to the Company
“Regulatory Approvals”	means any marketing approval, permit, license, or any other authorization that is required in accordance with the Applicable Law (i) for the manufacturing and commercialization of the Pacemaker Products in the PRC, and (ii) importing and commercializing Lead Products in the PRC
“Reporting Period”	means either a Lifetech Bi-Annual Period or a Lifetech Quarter, whichever is shorter period for which the Company will publish financial reports pursuant to the Listing Rules
“RMB”	means Renminbi, the legal currency of the PRC
“Shareholders”	means shareholders of the Company
“Start Date”	means the date on which all of the following conditions are satisfied: (i) Lifetech (Shenzhen) has completed all the action items as set forth in the Pacemaker Consulting Services Agreement; and (ii) the Regulatory Approvals respectively for the (a) Pacemaker Products or (b) Lead Products are duly issued

“Supply and Exclusive Distribution Agreement” means the supply and exclusive distribution agreement entered into among the Company, Lifetech (Shenzhen) and Medtronic China dated 25 July 2014

“USD” US dollar, the lawful currency of the United States of America

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

Hong Kong, 28 July 2014

*As at the date of this announcement, the executive directors of the Company are Mr. XIE Yuehui and Mr. ZHAO Yiwei Michael; the non-executive directors of the Company are Mr. WU Jianhui, Mr. MARTHA Geoffrey Straub, Dr. LIDDICOAT John Randall and Mr. JIANG Feng; and the independent non-executive directors of the Company are Mr. LIANG Hsien Tse Joseph, Mr. ZHOU Gengshen and Mr. ZHOU Luming.*