LifeTech Scientific Corporation
先健科技公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1302)

INSIDE INFORMATION

FOURTH SUPPLEMENTAL AGREEMENT RELATING TO (I) DISTRIBUTION AGREEMENT AND (II) SERVICES AGREEMENT

This announcement is made by the Company pursuant to Rule 13.09(2)(a) 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 20 September 2016 (after trading hours), the Company, PerMed, and Medtronic entered into the Fourth Supplemental Agreement to, among other things, terminate the distribution rights of Medtronic in relation to the Supplemental Products under the Distribution Agreements. Under the Fourth Supplemental Agreement, the terms of the Distribution Agreements have been modified by terminating the arrangements relating to the Supplemental Products in the Territory with effect from the date of the Fourth Supplemental Agreement.

Given that (i) the Company has obtained the Conformité Européenne mark approval for its key new product LAmbre™ left atrial appendage occluder system, the Termination will quickly enrich its product portfolio in the structural heart disease field and complete its structural heart disease product line in the Territory; (ii) the Company has been focusing on global market development and promotional platforms building in the past few years and has successfully improved its product brand and refined marketing channel globally with the assistance of Medtronic; (iii) following the strategy optimisation of Medtronic to increase its focus on its commitment to congenital heart disease, and to extend more dedicated support to the Company's cardiac rhythm device, the Board believes that the Termination will (i) achieve more successful business synergies for both Medtronic and the Company, and (ii) allow the Company to distribute the Supplemental Products of improved quality directly to its external customers, which is beneficial to the Company and will enable the Company to (a) generate more profit, (b) expand its overseas market share, and (c) continue the Company's commitment to providing better products to patients served.

This announcement is made by the Company pursuant to Rule 13.09(2)(a) 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, 27 January 2014, 15 June 2014 and 2 November 2015 (the "**Announcements**"), and the circulars of the Company dated 6 January 2013, 18 March 2014 and 21 August 2014 (the "**Circulars**") in relation to, among others, the entering into of the Distribution Agreements and the Services Agreement.

The Board hereby announces that on 20 September 2016 (after trading hours), the Company, PerMed, and Medtronic entered into the Fourth Supplemental Agreement to, among other things, terminate the distribution rights of Medtronic in relation to the Supplemental Products under the Distribution Agreements. Under the Fourth Supplemental Agreement, the terms of the Distribution Agreements have been modified by terminating the arrangements relating to the Supplemental Products in the Territory with effect from the date of the Fourth Supplemental Agreement.

In addition, under the Fourth Supplemental Agreement, it is agreed among the Parties that:

(i) all rights and obligations that are continuing in nature in the Distribution Agreements, except that such rights shall no longer apply to the Supplemental Products, shall survive the date of the Fourth Supplemental Agreement;

(ii) Medtronic will cooperate to (a) collect outstanding Supplemental Products inventory from commercial customer accounts (the "**Accounts**"), (b) retrieve and collect unused inventory from Accounts, sales representatives and inventory located in Medtronic's center (collectively, the "**Inventory**"), (c) ship all such Inventory to the Company, and (d) transit the Accounts to the Company in an orderly and timely fashion according to the terms and the manners as agreed in the Fourth Supplemental Agreement;

(iii) both the Company and Medtronic shall continue to perform their respective obligations and responsibilities in accordance with certain clinical management plan for the post-market study (the "**Post-Market Study**");

(iv) Medtronic shall provide original files with training and marketing materials for the Company's use after the date of the Fourth Supplemental Agreement;

(v) the Company shall be solely responsible for Supplemental Products approval, licensing, registrations and all other regulatory responsibilities with respect to the sale and distributions of the Supplemental Products from and after the date of the Fourth Supplemental Agreement; and Medtronic will provide reasonable business assistance if any in need;

(vi) the Services Agreements shall remain in full force and effect pursuant to their terms as they relate to Products other than the Supplemental Products; and

(vii) both the Company and Medtronic shall release and discharge each other from any claims which each of them has, had or may have against the other party related to or arising out of (i) the Distribution Agreements in so far as they relate to the Supplemental Products, up to and through the date of the Fourth Supplemental Agreement, (ii) the Services Agreements in so far as they relate to the Supplemental Products, up to and through the date of the Fourth Supplemental Agreement, and (iii) the Post-Market Study up and through the date of the Fourth Supplemental Agreement.

REASONS AND BENEFITS FOR THE FOURTH SUPPLEMENTAL AGREEMENT

Taking into consideration the below reasons and benefits, the Board believes that the Termination will (i) achieve more successful business synergies for both Medtronic and the Company, and (ii) allow the Company to distribute the Supplemental Products of improved quality directly to its external customers, which is beneficial to the Company and will enable the Company to (a) generate more profit, (b) expand its overseas market share, and (c) continue the Company's commitment to providing better products to patients served:

(i) the Company has obtained the Conformité Européenne mark approval for its key new product LAmbre™ left atrial appendage occluder system, the Termination will quickly enrich its product portfolio in the structural heart disease field and complete its structural heart disease product line in the Territory;

(ii) the Company has been focusing on global market development and promotional platforms building in the past few years and has successfully improved its product brand and refined marketing channel globally with the assistance of Medtronic;

(iii) following the strategy optimisation of Medtronic to increase its focus on its commitment to congenital heart disease and to provide more dedicated support to the Company's cardiac rhythm device, both Medtronic and the Company believe the Termination will achieve more successful business synergies for the Parties. A broad strategic alliance between Medtronic and the Company remains in place and will be further improved. Sharing the strategic vision, the resources and technologies of Medtronic, the world's largest medical device company, will accelerate the growth of the Company and assist the Company to provide one-stop service globally and extend high-quality products and services to doctors and patients.

Other than the Termination under the Fourth Supplemental Agreement and related matters as disclosed above, the Board is of the view that there is no change to the terms of the Distribution Agreements and the Services Agreements.

The Board is also of the view that the entering into of the Fourth Supplemental Agreement has not effected a material change to the terms of the Distribution Agreements under Rule 14A.54(2) of the Listing Rules, and therefore the Distribution Agreements (as amended by the Fourth Supplemental Agreement) is not subject to reporting, announcement and Independent Shareholders' approval requirements under that rule.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Fourth Supplemental Agreement and the transactions contemplated thereunder are fair and reasonable, have been entered into after arm's length negotiation and determined on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

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

"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)

"Distribution Agreements"	collectively the First Distribution Agreement, the Second Supplemental Distribution Agreement and the Third Supplemental Distribution Agreement
"Fourth Supplemental Agreement"	the fourth supplemental agreement to the supply and exclusive distribution agreement and the services agreement dated 20 September 2016 entered into between the Company, PerMed, and Medtronic
"Parties"	the parties to the Fourth Supplemental Agreement, i.e. the Company, PerMed and Medtronic
"Services Agreements"	collectively the First Services Agreement, the Second Supplemental Services Agreement and the Third Supplemental Services Agreement
"Termination"	termination of arrangements in relation solely to the Supplemental Products under the Distribution Agreements and the Services Agreements

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

Hong Kong, 20 September 2016

As at the date of this announcement, the Board comprises Mr. XIE Yuehui, Mr. LIU Jianxiong and Ms. XIAO Ying being executive Directors; Mr. MONAGHAN Shawn Del, Mr. JIANG Feng and Mr. CLEARY Christopher Michael being non-executive Directors; and Mr. LIANG Hsien Tse Joseph, Mr. WANG Wansong and Mr. ZHOU Luming being independent non-executive Directors.