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LifeTech Scientific Corporation

先健科技公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1302)

CONNECTED TRANSACTION — SHARE PURCHASE PURSUANT TO SHARE AWARD SCHEME

Reference is made to the announcement of the Company dated 3 March 2022 in relation to the adoption of the Share Award Scheme.

On 10 April 2024, the Trustee, the Seller and the Company entered into the Agreement, pursuant to which the Trustee, as instructed by the Company, agreed to purchase, with funding to be provided by the Company, and the Seller agreed to sell, 21,720,000 Shares, for the purpose of the Share Award Scheme.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Seller is interested in 781,914,928 Shares, representing approximately 16.89% of the issued share capital of the Company. Immediately after completion of the Agreement (assuming that there is no change in the issued share capital of the Company), the Seller will be interested in 760,194,928 Shares, representing approximately 16.42% of the issued share capital of the Company.

The Seller is a connected person of the Company under Chapter 14A of the Listing Rules by virtue of it being a substantial Shareholder. The Transaction constitutes a connected transaction for the Company.

As the highest applicable percentage ratios under the Listing Rules in respect of the Transaction exceed 0.1% but is lower than 5%, the Transaction is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but exempted from the circular and independent shareholders' approval requirements.

SHARE PURCHASE PURSUANT TO THE SHARE AWARD SCHEME

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Details of the Agreement are as follows:

Date: 10 April 2024

Parties:

- (1) the Seller
- (2) the Trustee
- (3) the Company

Sale Shares to be transferred

The Seller agreed to sell, and the Trustee, as instructed by the Company, agreed to purchase, 21,720,000 Shares, representing approximately 0.47% of the issued share capital of the Company as at the date of this announcement.

Consideration

The consideration for the Sale Shares shall be HK\$1.750 per Sale Share, which shall be settled, with funding from the Company, in cash on the Completion Date. The total consideration for the Sale Shares amounts to HK\$38,010,000.

The HK\$1.750 per Sale Share represents:

- (a) a discount of approximately 4.79% to the average closing price of HK\$1.838 per Share for the last 30 consecutive trading days including the date of the Agreement;
- (b) a discount of approximately 6.57% to the average closing price of HK\$1.873 per Share for the last 60 consecutive trading days including the date of the Agreement; and
- (c) a discount of approximately 12.76% to the average closing price of HK\$2.006 per Share for the last 90 consecutive trading days including the date of the Agreement.

Condition

Completion of the Agreement is conditional on (a) the representations, warranties and undertakings given in the Agreement being true and accurate and not misleading on the date of the Agreement and the Completion Date, (b) (if required) the Company having obtained all requisite consents, waivers, approvals, authorizations, exemptions, licences or permits in connection with the transactions contemplated under the Agreement; and (c) the Seller having complied with the obligations imposed on the Seller under the Agreement that are due to be complied on or before the Completion Date.

The Trustee (in accordance with the instructions from the Company) in its sole discretion may waive any of above conditions. If any of the above conditions are not complied with on the Completion Date, the Trustee (in accordance with the instructions from the Company) may (a) defer completion, (b) proceed to completion as far as practicable (without prejudice to any rights or remedies that any of the Trustee and the Company may have under the Agreement and/or applicable laws), or (c) terminate the Agreement.

Completion

Subject to the above conditions being fulfilled, completion of the Agreement is expected to take place on 15 April 2024 (or such other date as the Seller, the Company and the Trustee may agree in writing).

Upon completion of the Agreement, the Shares are to be held directly or indirectly by the Trust for the benefit of the Selected Participants under the Trust on and subject to the terms and conditions of the Share Award Scheme and the Trust Deed.

INFORMATION ON THE PARTIES

To the best knowledge and information of the Directors, the Seller is a company incorporated in the British Virgin Islands and is wholly-owned by Mr. XIE Yuehui (an executive Director, the chairman and the chief executive officer of the Company). It is principally engaged in investment holding.

To the best knowledge and information of the Directors, the Trustee is a company incorporated in Hong Kong and is principally engaged in providing trustee services to companies and individuals. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Trustee is a third party independent of the Company and its connected persons.

INFORMATION ON THE GROUP

The Company is an investment holding company. The Group is principally engaged in the developing, manufacturing and marketing of advanced minimally invasive interventional medical devices for cardiovascular and peripheral vascular diseases and disorders.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Share Award Scheme was adopted with a view to recognising and motivating the contributions by certain Eligible Participants and giving incentives thereto in order to retain them for the continual operation and development of the Group.

Taking into consideration the fact that:

- (a) the Agreement enables the Trustee to set aside a pool of Shares available for allocation to the Eligible Participants under the Share Award Scheme with a view to incentivizing the Eligible Participants;
- (b) the purchase of existing Shares by the Trustee or its nominee (as opposed to issuance of new Shares to the Trustee or its nominee) will not cause any dilution impact on the shareholding of the existing Shareholders; and
- (c) the Agreement is beneficial for demonstrating that the Company's Share price is undervalued, with a major shareholder relinquishing the appreciation gains of the Shares in order to incentivize the Eligible Participants to share in the future development and profits of the Group;

the Directors consider that the terms of the Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr. XIE Yuehui, being the sole shareholder of the Seller, is deemed to have a material interest in the Agreement and has abstained from voting on the relevant board resolutions approving the Agreement and Transaction. Save as disclosed above, none of the Directors has or is deemed to have a material interest in the Agreement or is required to abstain from voting on the relevant board resolution.

The Directors, including the independent non-executive Directors, consider that the terms of the Transaction are fair and reasonable and normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

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DEFINITIONS

“Agreement”	the sale and purchase agreement dated 10 April 2024 by and among the Seller, the Trustee and the Company in relation to the transfer of the Sale Shares from the Seller to the Trustee;
“associates”	has the meaning given to it in the Listing Rules;
“Board”	the board of Directors;
“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 (Stock Code: 1302);
“Completion Date”	the date on which completion of the Agreement takes place;
“connected persons”	has the meaning given to it in the Listing Rules;
“Director(s)”	the director(s) of the Company;

“Eligible Participant”	(i) any employee and non-executive director of the Company and/or any member of the Group and any Related Entity (excluding excluded participants as specified in the scheme rules) who, in the sole opinion of the Board, will contribute or have contributed to any member of the Group; and (ii) agents, consultants, suppliers or any other persons who provide services to any member of the Group and, in the sole opinion of the Board, will contribute or have contributed to any member of the Group;
“Group”	the Company and such entities which are considered as subsidiaries of the Company under the applicable accounting standard and policy;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Related Entity”	the holding companies, fellow subsidiaries or associated companies of the Company;
“Sale Shares”	21,720,000 Shares being held by the Seller;
“Selected Participant”	Eligible Participant(s) selected by the Board pursuant to rules of the Share Award Scheme who holds a subsisting award;
“Seller”	Xianjian Advanced Technology Limited, a company incorporated in the British Virgin Islands and wholly-owned by Mr. XIE Yuehui (an executive Director, the chairman and the chief executive officer of the Company);
“Share Award Scheme”	the share award scheme adopted by the Company on 3 March 2022 (in its present or any amended form);
“Share(s)”	ordinary share(s) of US\$0.00000125 each in the capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);
“Shareholder(s)”	the shareholder(s) of the Company;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the transaction contemplated under the Agreement;
“Trust”	the trust constituted by the Trust Deed;
“Trust Deed”	a trust deed dated 3 March 2022 and entered into by and among the Company, the Trustee and its nominee (as restated, supplemented and amended from time to time); and
“Trustee”	Futu Trustee Limited, the trustee which, to the best knowledge, information and belief of the Directors having made all reasonable enquiry, is independent of the Company and connected persons of the Company and which has been appointed by the Company to manage the Share Award Scheme.

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

Hong Kong, 10 April 2024

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