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LifeTech Scientific Corporation

先健科技公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1302)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Sole Placing Agent



THE PLACING

The Board announces that on 4 December 2020 (before trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company agreed to appoint the Placing Agent, and the Placing Agent agreed to act as, the agent of the Company to procure, on a best effort basis, purchasers for 287,320,000 new Shares at the Placing Price upon the terms and subject to the conditions set out in the Placing Agreement.

The Placing Shares represents: (a) approximately 6.62% of the total existing issued Shares as at the date of this announcement; and (b) approximately 6.21% of the total issued Shares as enlarged by the allotment and issue of the Placing Shares (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the completion of the Placing other than the issue by the Company of the Placing Shares).

The Placing Shares are expected to be placed to no less than six independent Placees, who and whose ultimate beneficial owners are independent of the Company and the connected persons of the Company.

The Placing Shares will be allotted and issued under the General Mandate.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Placing Shares.

As completion of the Placing is subject to satisfaction of certain conditions precedent and the Placing Agent's termination rights, the Placing may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

THE PLACING

The Board announces that on 4 December 2020 (before trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which, the Company agreed to appoint the Placing Agent, and the Placing Agent agreed to act as the agent of the Company to procure, on a best effort basis, purchasers for 287,320,000 new Shares at the Placing Price upon the terms and subject to the conditions set out in the Placing Agreement.

THE PLACING AGREEMENT

Date

4 December 2020 (before trading hours)

Parties

- (i) The Company; and
- (ii) The Placing Agent

The Placing Agent

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are independent of the Company and the connected persons of the Company.

Number of the Placing Shares

The Placing Agent has agreed to act as agent of the Company to procure, on a best effort basis, purchasers for 287,320,000 new Shares at the Placing Price (excluding brokerage, the SFC transaction levy and the Stock Exchange trading fee payable by the purchasers), upon the terms and subject to the conditions set out in the Placing Agreement.

The Placing Shares represent: (a) approximately 6.62% of the total existing issued Shares, as at the date of this announcement; and (b) approximately 6.21% of the total issued Shares, as enlarged by the allotment and issue of the Placing Shares (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the completion of the Placing other than the issue by the Company of the Placing Shares).

Rights of the Placing Shares

The Placing Shares will rank pari passu with the other existing Shares upon issuance.

Placees

The Placing Shares are expected to be placed to no less than six independent Placees, who and whose respective ultimate beneficial owners are independent of the Company and the connected persons of the Company.

Immediately after completion of the Placing, it is expected that none of the Placees will become a substantial shareholder (as defined under the Listing Rules) of the Company.

Placing Price

The Placing Price is HK\$3.2368 per Placing Share and represents:

- (i) a discount of approximately 11.6% to the closing price of HK\$3.660 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 9.3% to the average closing price of approximately HK\$3.570 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to and including the Last Trading Day; and

- (iii) a discount of approximately 2.3% to the average closing price of approximately HK\$3.313 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days prior to and including the Last Trading Day.

The net Placing Price (after deducting the costs and expenses of the Placing) is approximately HK\$3.2366 per Placing Share. Based on a nominal value of US\$0.00000125 per Share, the aggregate nominal value of the Placing Shares is US\$359.15.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent after taking into account factors including the recent market price of the Shares and the current market conditions.

Conditions of the Placing

Completion of the Placing is conditional upon the satisfaction of the following conditions:

- (a) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Placing Shares and such listing and permission not subsequently being revoked prior to the delivery of the definitive share certificate(s) representing the Placing Shares;
- (b) the representations, warranties and undertakings made by the Company pursuant to the Placing Agreement being true, accurate, complete in all material respects and not misleading as of the date of the Placing Agreement and the Closing Date;
- (c) the Company having complied with all of the agreements and undertakings and satisfied all of the conditions on its part to be complied with or satisfied under the Placing Agreement on or before the Closing Date; and
- (d) the Placing Agent having received certain legal opinions in form and substance reasonably satisfactory to the Placing Agent.

If at any time prior to 8:00 a.m. (Hong Kong time) on the Closing Date:

- (a) there has developed, occurred or come into force:
 - (i) any new law or regulation or any change or development involving a prospective change in existing laws or regulations in any relevant jurisdiction which in the opinion of the Placing Agent has or is likely to have a material adverse effect on the financial position of the Company and/or of the Group as a whole; or

- (ii) any significant change (whether or not permanent) in local, national or international monetary, economic, financial, political or military conditions which in the opinion of the Placing Agent is or would be materially adverse to the success of the Placing; or
- (iii) any significant change (whether or not permanent) in local, national or international securities market conditions or currency exchange rates or foreign exchange rates or foreign exchange controls which in the sole judgement of the Placing Agent is or would be materially adverse to the success of the Placing; or makes it impracticable or inadvisable or inexpedient to proceed therewith; or
- (iv) a general moratorium on commercial banking activities in Hong Kong, the PRC, London or New York declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the PRC, the United Kingdom or the United States; or
- (v) a change or development involving a prospective change in taxation which constitutes a material adverse effect on the Group as a whole or the Placing Shares or the Placing thereof; or
- (vi) any event, or series of events, in the nature of force majeure, including, without limitation, economic sanctions, strikes, labour disputes, lock-outs, fire, explosion, flooding, earthquake, civil commotion, riots, public disorder, acts of war, any outbreak or escalation of hostilities, act of God or act of terrorism in, affecting or involving Hong Kong, the PRC, the United Kingdom or the United States or the declaration by Hong Kong, the PRC, the United Kingdom or the United States of a national emergency or war, calamity, crisis, epidemic, pandemic, large scale outbreaks of diseases; or
- (vii) any suspension of dealings in the Shares for any period whatsoever (other than as a result of the Placing); or
- (viii) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in Hong Kong, the PRC, the United Kingdom or the United States which in the sole opinion of the Placing Agent is or would be materially adverse to the success of the Placing; or

- (ix) any moratorium, suspension, limitation or material restriction on trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the London Stock Exchange, the New York Stock Exchange or Nasdaq due to exceptional financial circumstances or otherwise at any time prior to the Closing Date; or
- (b) any breach of any of the representations, warranties and undertakings by the Company set out in the Placing Agreement has come to the knowledge of the Placing Agent or any event has occurred or any matter has arisen on or after the date of the Placing Agreement and prior to the Closing Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations, warranties and undertakings untrue or incorrect in any respect and any such breach or failure would be material or (in the opinion of the Placing Agent) would materially and adversely affect the financial position or business of the Company and/or of the Group as a whole or would be materially adverse to the success of the Placing, or there has been a breach of, or failure to perform, any other provision of the Placing Agreement on the part of the Company; or
- (c) there has been any adverse change, or development involving a prospective adverse change in the general affairs, condition, earnings, results of operations or prospects, management, business, stockholders' equity or in the financial or trading position of the Company and/or of the Group as a whole which in the opinion of the Placing Agent would be materially adverse to the success of the Placing,

then, and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, which notice may be given at any time prior to 8:00 a.m. (Hong Kong time) on the Closing Date.

Application for listing of the Placing Shares

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Placing Shares.

Completion of the Placing

Completion of the Placing is expected to take place on 11 December 2020 or at such other time and/or date as the Company and the Placing Agent may agree (the “Closing Date”).

As completion of the Placing is subject to satisfaction of certain conditions precedent, the Placing may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

LOCK-UP UNDERTAKING

The Company has undertaken to the Placing Agent that for a period of 90 days from the Closing Date, the Company will not, without first having obtained the consent of the Placing Agent:

- (a) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Share(s) or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to Shares or interest in Shares;
- (b) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in sub-paragraph (a) above; or
- (c) announce any intention to enter into or effect any such transaction described in sub-paragraphs (a) or (b) above.

The foregoing shall not apply to (i) the issue of the Placing Shares under the Placing Agreement, (ii) the grant of any options under the share option scheme of the Company or any issue of shares pursuant to the exercise of any options granted or to be granted under such scheme, or (iii) the grant of any shares or other securities under the share award scheme of the Company.

GENERAL MANDATE TO ISSUE THE PLACING SHARES

As disclosed in the Company's circular and poll results announcement dated 15 April 2020 and 28 May 2020, respectively, the grant of the General Mandate was approved by the Shareholders at the annual general meeting of the Company held on 28 May 2020.

As of the date of this announcement, no Shares have been allotted and issued under the General Mandate. The Placing Shares will be allotted and issued pursuant to the General Mandate.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

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

The Directors consider that the Placing represents an opportunity to raise capital while broadening its capital and shareholder base. The Directors are of the view that the Placing would strengthen the financial position of the Company and provide working capital to the Company.

The Directors are of the opinion that the terms of the Placing Agreement, including the Placing Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming that all Placing Shares are fully placed, the aggregate gross proceeds from the Placing are expected to be approximately HK\$930.0 million. The Company intends to use the net proceeds (after deducting related costs and expenses) from the Placing for repayment of bank borrowings of the Group, funding potential business development and general working capital of the Group.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company as at the date of this announcement and immediately after the completion of the Placing is set out as follows (assuming all Placing Shares are fully placed and no other changes to the share capital of the Company prior to completion of the Placing):

	As at the date of this announcement		Immediately upon completion of the Placing	
	<i>Number of Shares</i>	<i>Percentage of total issued Shares</i>	<i>Number of Shares</i>	<i>Percentage of total issued Shares</i>
<i>Directors</i>				
XIE Yuehui	781,914,928 (Note 1)	18.03%	781,914,928	16.91%
LIU Jianxiong	8,140,000 (Note 2)	0.19%	8,140,000	0.18%
<i>Others</i>				
Other existing shareholders	3,547,829,472	81.78%	3,547,829,472	76.70%
Placees	—	—	287,320,000	6.21%
Total	4,337,884,400	100%	4,625,204,400	100%

Notes:

1. These interests represented 781,914,928 Shares held by Xianjian Advanced Technology Limited, which is wholly owned by Mr. Xie Yuehui (“**Mr. Xie**”), the chairman, chief executive officer and executive director of the Company. In addition, Mr. Xie holds 19,600,000 share options of the Company.
2. Mr. LIU Jianxiong (“**Mr. Liu**”) is the executive vice president, executive director, chief financial officer and the company secretary of the Company. In addition, Mr. Liu holds 16,800,000 share options of the Company.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising exercises in the past twelve months immediately before the date of this announcement.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday, a Sunday or a public holiday) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Company”	LifeTech Scientific Corporation, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the main board of the Stock Exchange (stock code: 1302)
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Board by the Shareholders at the annual general meeting of the Company held on 28 May 2020 to allot, issue and deal with the Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	3 December 2020
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	investor(s) procured by the Placing Agent to purchase the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing to the Placees procured by the Placing Agent of the Placing Shares subject to the terms and conditions set out in the Placing Agreement
“Placing Agent”	Citigroup Global Markets Limited
“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent dated 4 December 2020 in respect of the Placing
“Placing Price”	HK\$3.2368 per Placing Share
“Placing Shares”	287,320,000 new Shares to be issued under the Placing Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	the ordinary share(s) of US\$0.00000125 each in the issued share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“U.S.” or “United States”	the United States of America
“%”	per cent

In this announcement, the terms “associate”, “connected person”, “controlling shareholder” and “substantial shareholder” have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

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

Hong Kong, 4 December 2020

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