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**New Horizon Health Limited**  
**諾輝健康**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 6606)**

**PLACING OF EXISTING SHARES  
AND  
TOP-UP SUBSCRIPTION OF NEW SHARES UNDER THE GENERAL  
MANDATE**

**Overall Coordinators and Placing Agents**

**Goldman  
Sachs**

**Goldman Sachs (Asia) L.L.C.**

**J.P.Morgan**

**J.P. Morgan Securities (Asia Pacific) Limited**

On January 18, 2023, Hong Kong time (before trading hours of the Stock Exchange), the Subscriber, the Company and the Placing Agents entered into the Placing and Subscription Agreement, pursuant to which (i) each of the Placing Agents has agreed to act as (on a several but not joint nor joint and several basis) agent for the Subscriber to place, failing which to purchase by itself, and the Subscriber has agreed to sell, a total of 27,543,000 existing Placing Shares to not less than six Placees who and whose ultimate beneficial owners will be third parties independent of and not acting in concert (as defined under the Takeovers Code) with the Subscriber, the Company, its subsidiaries and their respective connected persons and associates, at the Placing Price of HK\$28.38 per Placing Share; and (ii) the Subscriber has conditionally agreed to subscribe for 27,543,000 new Subscription Shares at the Subscription Price of HK\$28.38 per Subscription Share. The Placing Shares represent, in aggregate, (i) approximately 6.41% of the issued share capital of the Company of 430,001,936 Shares as at the date of this announcement; and (ii) approximately 6.02% of the issued share capital of the Company as enlarged by the Subscription and the allotment and issue of the Subscription Shares as a result of the Subscription (assuming there is no other change in the issued share capital of the Company).

The Subscription is conditional upon (i) the Listing Committee granting the listing of, and permission to deal in, the Subscription Shares; and (ii) completion of the Placing. None of the conditions of the Subscription can be waived by the Company or the Subscriber. The net proceeds (after deducting the Company's share of the Placing Agents' commission, and other expenses incurred in the Placing and the Subscription) from the Subscription will be approximately HK\$775.1 million. The Company intends to use the net proceeds from the Subscription to fund (i) the further development and commercialization of the Group's pipeline products, including but not limited to CerviClear, LiverClear and pan-cancer early detection pipeline programs as well as other pipeline programs of the Group, (ii) the operational activities of the Group, including but not limited to investment in facilities and manufacturing lines to expand the Group's operational capacity and office buildings to house the back-office departments of the Group, and (iii) the business development activities and investments of the Group, including but not limited to the Group's investments through any current or future venture capital funds specific in healthcare industry with a focus in diagnostics and life science and tools.

## **THE PLACING AND SUBSCRIPTION AGREEMENT**

### **Date**

January 18, 2023, Hong Kong time (before trading hours of the Stock Exchange).

### **Parties Involved**

The Company, the Subscriber and the Placing Agents.

### **The Subscriber**

As at the date of the Placing and Subscription Agreement, the Subscriber, Dr. Chen, an executive Director and the chief scientific officer of the Company, is interested in 43,224,536 Shares (including the Placing Shares and excluding any Shares which the Subscriber is entitled to receive pursuant to the options or restricted shares units granted to him under any share schemes of the Company), representing approximately 10.05% of the Shares in issue as at the date of this announcement, thus a substantial Shareholder of the Company.

## **Placing and Subscription**

Each of the Placing Agents has severally agreed to act (on a several but not joint nor joint and several basis) as agent to the Subscriber to place, failing which to purchase by itself, the Placing Shares at the Placing Price.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Placing Agents and its ultimate beneficial owner is independent of and not connected with the Subscriber, the Company and their respective associates and connected persons, and is not acting in concert with the Subscriber (or parties acting in concert with it) or its associates.

Pursuant to the Placing and Subscription Agreement, the Subscriber has agreed to: (i) sell, through the Placing Agents, 27,543,000 Placing Shares to the Placees at a price of HK\$28.38 per Placing Share; and (ii) subscribe for the Subscription Shares at a price of HK\$28.38 per Subscription Share. The maximum aggregate nominal value of the Placing Shares under the Placing will be US\$1,377.15.

Details of the Placing and the Subscription are set out below.

### **1. Placing**

#### ***Placees***

The Placing Agents have severally agreed to place the Placing Shares to not less than six Placees who and whose ultimate beneficial owners are third parties independent of and not acting in concert (as defined under the Takeovers Code) with the Subscriber, the Company, its subsidiaries and their respective connected persons and associates. The Placees are professional, institutional or other investors. Immediately after completion of the Placing, it is expected that none of the Placees will become a substantial shareholder or connected person of the Company. The Subscriber has not been and will not be involved in screening or selecting the Placees in connection with the Placing.

#### ***Placing Shares***

The Placing Shares represent, in aggregate: (i) approximately 6.41% of the existing issued share capital of the Company of 430,001,936 Shares as at the date of this announcement; and (ii) approximately 6.02% of the issued share capital of the Company as enlarged by the Subscription and the allotment and issue of the Subscription Shares as a result of the Subscription (assuming there is no other change in the issued share capital of the Company).

#### ***Lock Up Undertakings***

Pursuant to the Placing and Subscription Agreement, the Subscriber has undertaken to the Placing Agents that (except for the sale of Placing Shares pursuant to the Placing and Subscription Agreement), for a period beginning on the date of the Placing and Subscription Agreement and ending on the date which is 90 days after the Closing Date (the “**Subscriber Lock-up Period**”), he will not, and will procure that none of his nominees, any person controlled by him, any trust associated with him or any person acting on his behalf shall (i) offer, sell, lend, contract to sell, pledge, grant any option over, make any short sale or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition

(whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Subscriber or any Affiliate of the Subscriber or any person in privity with the Subscriber or any Affiliate of the Subscriber), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any such transaction, unless with the prior written consent of the Placing Agents.

For the avoidance of doubt, the Subscriber Lock-up Period only refers to a period beginning on the date of the Placing and Subscription Agreement and ending on the date which is 90 days after the Closing Date, and the Subscriber shall be free to take any of the actions set out in (i), (ii) or (iii) above with respect to the Shares upon the expiration of the Subscriber Lock-up Period.

The Company has undertaken to the Placing Agents, and the Subscriber has undertaken to the Placing Agents to procure, that for a period beginning on the date of the Placing and Subscription Agreement and ending on the date which is 90 days after the Closing Date, the Company will not, except for the Subscription Shares and save pursuant to (1) the terms of any share incentive schemes of the Company; (2) bonuses or scrip dividend or similar arrangements which provide for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with its articles of association, (i) effect or arrange or procure placement of, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for, or enter into any transaction which is designed to, or might reasonably be expected to, result in any of the aforesaid (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any such transaction, unless with the prior written consent of the Placing Agents.

### ***Placing Price***

The Placing Price represents:

- (i) a discount of approximately 8.0% to the closing price of HK\$30.85 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a discount of approximately 3.0% to the average closing price of approximately HK\$29.25 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to and including the Last Trading Date; and
- (iii) a premium of approximately 6.8% to the average closing price per Share of approximately HK\$26.59 as quoted on the Stock Exchange for the last ten consecutive trading days prior to and including the Last Trading Date.

The Placing Price was arrived at after arm's length negotiations among the Company, the Subscriber and the Placing Agents with reference to the prevailing market prices of the Shares. The Directors consider that the Placing Price and the terms and conditions of the Placing and Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. The net Placing Price, after deduction of the relevant expenses, is approximately HK\$28.06 per Placing Share.

### ***Placing Commission and Fees***

The Company and Subscriber will be responsible for the commission and fees of the Placing, including the placing commission and the seller's share of the stamp duty, SFC transaction levy and Stock Exchange trading fee payable in relation to the transfer of the Placing Shares. The placing commission was arrived at after arm's length negotiations between the Company, the Subscriber and the Placing Agents.

### ***Completion of the Placing***

Completion of the Placing is expected to take place on January 20, 2023.

### ***Conditions/Termination of the Placing***

The Placing is subject to customary termination events.

## **2. Subscription**

### ***Subscription Shares***

The Subscriber has conditionally agreed to subscribe for 27,543,000 Subscription Shares, representing, in aggregate, (i) approximately 6.41% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 6.02% of the issued share capital of the Company as enlarged by the Subscription and the allotment and issue of the Subscription Shares as a result of the Subscription (assuming there is no other change in the issued share capital of the Company).

### ***Rights and Ranking of the Subscription Shares***

The Subscription Shares will, when fully paid, rank pari passu in all respects with the other Shares in issue or to be issued by the Company on or prior to the date of completion of the Subscription including the rights to all dividends and other distributions declared, made or paid on or after the date of allotment.

### ***General Mandate to issue the Subscription Shares***

The issue of the Subscription Shares is not subject to the approval of the Shareholders. The Subscription Shares will be allotted and issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the AGM which authorised the Directors to allot and issue a maximum of 85,947,979 Shares. As at the date of this announcement, (i) the Company has allotted and issued 262,038 Shares pursuant to the General Mandate; and (ii) the remaining portion of the General Mandate is sufficient for the allotment and issue of the Subscription Shares. The Company has not repurchased any Shares within the last 30 days prior to the date of this announcement.

## ***Subscription Price***

The Subscription Price:

- (i) represents a discount of approximately 8.0% to the closing price of HK\$30.85 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (ii) represents a discount of approximately 3.0% to the average closing price of approximately HK\$29.25 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to and including the Last Trading Date; and
- (iii) is equal to the Placing Price.

The Subscription Price was arrived at after arm's length negotiations among the Company, the Subscriber and the Placing Agents with reference to the prevailing market prices. The Directors consider that the Subscription Price and the terms and conditions of the Placing and Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## ***Conditions of the Subscription***

The Subscription is conditional upon:

- (i) the Listing Committee granting listing of and permission to deal in the Subscription Shares (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares under the Placing and Subscription Agreement); and
- (ii) the completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares. None of the conditions of the Subscription can be waived by the Company or the Subscriber.

## ***Completion of the Subscription***

Completion of the Subscription will take place on the second Business Day (or such other date as may be agreed by the Company, the Subscriber and the Placing Agents) after the date upon which the last of the conditions of the Subscription shall have been satisfied.

Under Rule 14A.92(4) of the Listing Rules, the Subscription must be completed within 14 days after the date of the Placing and Subscription Agreement, to be fully exempted from requirements under Chapter 14A of the Listing Rules. If the Subscription is to be completed thereafter, it will constitute a connected transaction under the Listing Rules and require compliance with all the relevant requirements under Chapter 14A of the Listing Rules, including but not limited to the issue of a separate announcement and approval by the independent Shareholders (being Shareholders other than the Subscriber, its ultimate beneficial owners and their respective associates).

## **REASONS FOR THE PLACING AND THE SUBSCRIPTION**

The Company is a commercial stage biotech company principally engaged in developing and commercializing innovative cancer screening products to address significant unmet medical needs in the cancer screening industry in China.

The Directors have considered various ways of raising funds and consider that it would be in the interests of the Company to raise equity funding via the Placing and the Subscription to broaden its shareholder base, strengthen the capital base and to enhance its financial position and net assets base for long-term development and growth.

The Directors (including the independent non-executive Directors) consider the terms of the Placing and Subscription Agreement (including but not limited to the Subscription Price, the Placing Agents' commission) to be fair and reasonable in light of current market conditions, on normal commercial terms, and the Subscription to be in the interests of the Company and the Shareholders as a whole.

## **USE OF PROCEEDS**

The gross proceeds and net proceeds (after deducting the Company's share of the Placing Agents' commission and other expenses incurred in the Placing and the Subscription) from the Subscription are expected to be approximately HK\$781.7 million and approximately HK\$775.1 million, respectively. The net Subscription Price, after deduction of the Company's share of relevant costs and expenses, is approximately HK\$28.14 per Subscription Share.

The net proceeds from the Subscription are expected to be fully utilized within five years and will be used for the following purposes:

- (i) 30% for the further development and commercialization of the Group's pipeline products, including but not limited to CerviClear, LiverClear and pan-cancer early detection pipeline programs as well as other pipeline programs of the Group;
- (ii) 40% for the operational activities of the Group, including but not limited to investment in facilities and manufacturing lines to expand the Group's operational capacity and office buildings to house the back-office departments of the Group, and
- (iii) 30% for the business development activities and investments of the Group, including but not limited to the Group's investments through any current or future venture capital funds specific in healthcare industry with a focus in diagnostics and life science and tools.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD**

The Company has not conducted any equity fund raising activities in the 12 months immediately preceding the date of this announcement.

## IMPACT ON SHAREHOLDING STRUCTURE

Assuming all the Placing Shares are placed under the Placing and Subscription Agreement and there are no other changes in the number of Shares in issue between the date of this announcement and completion of the Placing and the Subscription, the shareholding structure of the Company before and after the Placing and the Subscription will be as follows respectively<sup>(1)</sup>:

Shareholder	As at the date of this announcement		Immediately after the Placing but before the Subscription		Immediately after the Placing and the Subscription	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Subscriber <sup>(2)</sup>	43,224,536	10.05	15,681,536	3.65	43,224,536	9.45
Placees	–	–	27,543,000	6.40	27,543,000	6.02
Other Shareholders	<u>386,777,400</u>	<u>89.95</u>	<u>386,777,400</u>	<u>89.95</u>	<u>386,777,400</u>	<u>84.53</u>
<b>Total</b>	<b><u>430,001,936</u></b>	<b><u>100.00</u></b>	<b><u>430,001,936</u></b>	<b><u>100.00</u></b>	<b><u>457,544,936</u></b>	<b><u>100.00</u></b>

### Notes:

- (1) This table does not take into account any Shares that may be issued pursuant to any options or restricted share units granted under any existing share schemes of the Company, during the relevant period or time above-mentioned.
- (2) As at the date of this announcement, the Subscriber is interested in (i) 33,383,555 Shares as beneficial owner and (ii) 9,840,981 Shares as trustee of the Yiyou Chen Grantor Retained Annuity Trust. He is also entitled to receive up to 5,659,370 Shares pursuant to options and restricted share units granted under the existing share schemes of the Company.

## GENERAL

**The completion of the Placing and the Subscription is subject to the satisfaction of the conditions precedent set out in the Placing and Subscription Agreement. As the completion of the Placing and Subscription may or may not take place, shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

“Affiliate”	has the meaning specified in Rule 501(b) of Regulation D under the Securities Act
“AGM”	the annual general meeting of the Company held on Friday, June 24, 2022
“acting in concert”	has the meaning ascribed to this term in the Takeovers Code
“associates”	has the meaning ascribed to this term under the Listing Rules



“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for securities dealings
“Closing Date”	January 20, 2023
“Company”	New Horizon Health Limited (諾輝健康), an exempted company incorporated on June 7, 2018 under the laws of the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	directors of the Company
“Dr. Chen”	Dr. Yiyou Chen, an executive Director and the chief scientific officer of the Company
“Encumbrance”	any pledge, charge, lien, mortgage, option, warrant, security interest, claim, pre-emption rights, equity interest, third party rights whatsoever or interests or rights similar to the foregoing
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company, its subsidiaries and consolidated affiliated entities
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Date”	January 17, 2023, being the last trading day prior to the signing of the Placing and Subscription Agreement
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange for considering applications for listing and the granting of listing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any professional, institutional or other investors procured by or on behalf of the Placing Agents to purchase any of the Placing Shares pursuant to the Placing Agents’ obligations under the Placing and Subscription Agreement
“Placing”	the placing of the Placing Shares by or on behalf of the Placing Agents to the Placees pursuant to the Placing and Subscription Agreement

“Placing Agents”	Goldman Sachs (Asia) L.L.C. and J.P. Morgan Securities (Asia Pacific) Limited
“Placing and Subscription Agreement”	the agreement dated January 18, 2023 and entered into among the Company, the Placing Agents and the Subscriber in respect of the Placing and the Subscription
“Placing Price”	HK\$28.38 per Placing Share
“Placing Shares”	an aggregate of 27,543,000 existing Shares to be placed by the Placing Agents on behalf of the Subscriber under the Placing
“PRC”	The People’s Republic of China
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of US\$0.00005 each
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Dr. Chen
“Subscription”	the subscription of the Subscription Shares by the Subscriber at the Subscription Price pursuant to the Placing and Subscription Agreement
“Subscription Price”	HK\$28.38 per Subscription Share
“Subscription Shares”	27,543,000 new Shares to be allotted and issued by the Company to the Subscriber pursuant to the terms and conditions of the Placing and Subscription Agreement
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent

By order of the Board  
**New Horizon Health Limited**  
**Mr. Yeqing ZHU**  
*Chairman*

Hong Kong, January 18, 2023

*As at the date of this announcement, the Board comprises Mr. Yeqing ZHU as Chairman and executive Director, Dr. Yiyou CHEN as executive Director, Mr. Naxin YAO as non-executive Director, and Mr. Danke YU, Prof. Hong WU and Dr. Donald Kwok Tung LI as independent non-executive Directors.*