

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the shares in New Horizon Health Limited.



New Horizon Health Limited
諾輝健康

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

GRANT OF RSUS AND SHARE OPTIONS

On June 9, 2023, the Company granted (i) 599,400 performance-based RSUs to four Grantees in accordance with the terms of the Pre-IPO Share Incentive Plan; (ii) 2,147,000 time-based RSUs to 82 Grantees in accordance with the terms of the 2022 RSU Scheme; and (iii) 5,353,200 time-based Options to 82 Grantees in accordance with the terms of the 2022 Share Option Scheme, subject to acceptance.

(1) RSUS UNDER THE PRE-IPO SHARE INCENTIVE PLAN

On June 9, 2023, the Company granted 599,400 performance-based RSUs to four Grantees in accordance with the terms of the Pre-IPO Share Incentive Plan, subject to acceptance.

The details of the grant are as follows:

Date of Grant:	June 9, 2023 (the “ Grant Date ”)
Number of Grantees:	Four employees of the Company, of which two are Directors (both of the other two employees are Independent Third Parties)
Number of RSUs granted:	599,400, among which, (i) 480,300 RSUs are granted to Mr. YeQing ZHU and 37,700 RSUs are granted to Dr. Yiyu CHEN, both are Directors of the Company; and (ii) 81,400 RSUs are granted to other two employees in total
Consideration for the grant:	Nil

Closing price of the Shares on the Grant Date:	HK\$27.90 per Share
Vesting period of RSUs:	The performance-based RSUs will be vested (wholly or partially) after the first anniversary of the Grant Date in the year of 2024 based on the achievement of performance indicators of the relevant grantee (as further disclosed below).
Performance Targets:	The performance targets (i) for Mr. YeQing ZHU, are key performance indicators of Mr. YeQing ZHU as set out in the relevant grant letter based on the performance indicators at Company level (the “ Company KPI ”) with reference to the financial performance of the Company; (ii) for Dr. Yiyou CHEN, are key performance indicators of Dr. Yiyou CHEN as set out in the relevant grant letter based on the Company KPI and certain individual performance indicators specific to Dr. Yiyou CHEN as the Chief Scientific Officer of the Company, with reference to the number of business collaboration projects completed, recruitment of team members of the research institute of the Company in Hong Kong, generation of technology advancement, product pipeline strategies and other KPI targets which are relevant to the responsibilities of the Chief Scientific Officer of the Company; and (iii) for other employees, include Company KPI and/or certain individual performance indicators specific to the job responsibilities of the relevant grantees (as the case may be).
Clawback Mechanism:	The RSUs granted under the Pre-IPO Share Incentive Plan are subject to the terms of the Company’s recoupment, clawback or similar policy as it may be in effect from time to time, as well as any similar provisions of applicable law, any of which could in certain circumstances require repayment or forfeiture of awards or any Shares or other cash or property received with respect to the RSUs (including any value received from a disposition of the shares acquired upon payment of the RSUs).
No Financial Assistance:	The Group has not provided any financial assistance to the Grantees to facilitate the purchase of Shares under the Pre-IPO Share Incentive Plan.
Shares Available for Future Grant:	As at the date of this announcement, after the grant of such RSUs, 724,742 underlying Shares are available for future grant under the scheme mandate limit of the Pre-IPO Share Incentive Plan.

(2) RSUS UNDER THE 2022 RSU SCHEME

On June 9, 2023, the Company granted 2,147,000 time-based RSUs to 82 Grantees in accordance with the terms of the 2022 RSU Scheme, subject to acceptance.

The details of the grant are as follows:

Date of Grant:	June 9, 2023
Number of Grantees:	82 employees of the Company, of which two are Directors (the other 80 employees are all Independent Third Parties)
Number of RSUs granted:	2,147,000, among which, (i) 364,400 RSUs are granted to Mr. YeQing ZHU and 76,400 RSUs are granted to Dr. Yiyou CHEN, both are Directors of the Company; and (ii) 1,706,200 RSUs are granted to the other 80 employees in total
Consideration for the grant:	Nil
Closing price of the Shares on the Grant Date:	HK\$27.90 per Share
Vesting period of RSUs:	<p>Among the 82 Grantees, the 1,967,000 time-based RSUs granted to 81 Grantees will be vested in four years with:</p> <ul style="list-style-type: none">(i) 25% to be vested at the first anniversary of the Grant Date in the year of 2024; and(ii) the remaining 75% to be vested in the following 36 successive equal monthly instalments following the first anniversary of the Grant Date. <p>As for one Grantee (not being a Director), the vesting period of the grant of the 180,000 time-based RSUs (i) will start from the first anniversary of the Grant Date in the year of 2024, and (ii) will be over a period of nine (9) years with the detailed vesting schedules to be further determined by the administration committee of the 2022 RSU Scheme.</p>
Performance Targets:	There are no performance targets attached to the RSUs granted. For details of the view of remuneration committee, please see “View of Remuneration Committee” in this announcement below.

Clawback Mechanism:	The 2022 RSU Scheme provides for lapsing of the RSUs if any Grantee ceases to be an eligible person of the Group by reason of, including but not limited to, retirement; resignation; termination of employment due to death, disability or incapacity; termination of employment due to work performance or expiration of employment contract without renewal; termination of employment and such person has been demoted as a result of the negligence or violation of laws or regulations of such person or any detriment to the interests of the Group caused by such person.
No Financial Assistance:	The Group has not provided any financial assistance to the Grantees to facilitate the purchase of Shares under the 2022 RSU Scheme.
Shares Available for Future Grant:	As at the date of this announcement, after the grant of such RSUs, 2,150,398 underlying Shares are available for future grant under the scheme mandate limit of the 2022 RSU Scheme.

(3) OPTIONS UNDER THE 2022 SHARE OPTION SCHEME

On June 9, 2023, the Company granted 5,353,200 time-based Options to 82 Grantees in accordance with the terms of the 2022 Share Option Scheme, subject to acceptance.

The details of the grant are as follows:

Date of Grant:	June 9, 2023
Number of Grantees:	82 employees of the Company, of which two are Directors (the other 80 employees are all Independent Third Parties)
Number of Options granted:	5,353,200, among which, (i) 2,144,700 Options are granted to Mr. YeQing ZHU and 449,400 Options are granted to Dr. Yiyu CHEN, both are Directors of the Company; and (ii) 2,759,100 Options are granted to the other 80 employees in total.
Consideration for the grant:	HK\$1.00 to be paid by the Grantee upon acceptance of the Options granted
Exercise Price:	HK\$28.05 per Share

The Exercise Price of the Options of HK\$28.05 per Share represents the highest of (i) the closing price of the Shares of HK\$27.90 per Share as stated in the Stock Exchange's daily quotations sheet on the Grant Date, which must be a business day, (ii) the average closing price of the Shares of HK\$28.05 per Share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the Grant Date, and (iii) the nominal value of each Share on the Grant Date, which is US\$0.00005.

Closing price of the Shares on the Grant Date:	HK\$27.90 per Share
Vesting period of Options:	<p>Among the 82 Grantees, the 5,153,200 time-based Options granted to 81 Grantees will be vested in four years with:</p> <p>(i) 25% to be vested at the first anniversary of the Grant Date in the year of 2024; and</p> <p>(ii) the remaining 75% to be vested in the following 36 successive equal monthly instalments following the first anniversary of the Grant Date.</p> <p>As for one Grantee (not being a Director), the vesting period of the grant of 200,000 time-based Options (i) will start from the first anniversary of the Grant Date in the year of 2024, and (ii) will be over a period of nine (9) years with the detailed vesting schedules to be determined by the administration committee of the 2022 Share Option Scheme.</p>
Exercise period of Options:	10 years commencing on the date of acceptance of the Options granted.
Performance Targets:	There are no performance targets attached to the Options granted. For details of the view of remuneration committee, please see “View of Remuneration Committee” in this announcement below.
Clawback Mechanism:	In the event of the demotion of the Grantee or the termination of the employment between the Grantee and a member of the Group due to negligence or violation of laws or regulations by the Grantee or any detriment to the interests of the Group caused by the Grantee, the Options granted and vested in respect of the relevant Grantee shall be exercised within 30 days from the date of termination or demotion by the Grantee (or his legal personal representative(s)) subject to the absolute right of the Board to cancel such Options granted but not yet exercised.
No Financial Assistance:	The Group has not provided any financial assistance to the Grantees to facilitate the purchase of Shares under the 2022 Share Option Scheme.
Shares Available for Future Grant:	As at the date of this announcement, after the grant of such Options, 5,352,593 underlying Shares are available for future grant under the scheme mandate limit of the 2022 Share Option Scheme.

LISTING RULES IMPLICATIONS

Granted to Directors

Name	Number of Shares underlying the RSUs to be granted under the Pre-IPO Share Incentive Plan (Performance-based RSUs)	Number of Shares underlying the RSUs to be granted under the 2022 RSU Scheme (Time-based RSUs)	Number of Shares Options to be granted under the 2022 Share Option Scheme (Time-based Options)
Mr. YeQing ZHU	480,300	364,400	2,144,700
Dr. Yiyou CHEN	37,700	76,400	449,400

(1) RSUs granted to Directors under the Pre-IPO Share Incentive Plan

The Pre-IPO Share Incentive Plan was adopted and approved on October 10, 2018 and further amended and approved on August 17, 2020 and does not constitute a share scheme pursuant to the new Chapter 17 (effective from January 1, 2023) of the Listing Rules. The Company will comply with the new Chapter 17 in accordance with the transitional arrangements for the existing Pre-IPO Share Incentive Plan. Both Mr. YeQing ZHU and Dr. Yiyou CHEN are executive Directors of the Company, accordingly, both Mr. YeQing ZHU and Dr. Yiyou CHEN are connected persons of the Company. As the underlying Shares of the RSUs to be granted are held by the trustee, namely, Trident Trust Company (HK) Limited, and such RSUs has no specified participants, accordingly, the RSUs to be granted will be deemed as involving new issue of Shares. Therefore, the grant of RSUs to each of Mr. YeQing ZHU and Dr. Yiyou CHEN under the Pre-IPO Share Incentive Plan constitutes a non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to reporting, announcement, circular and independent Shareholders' approval requirements.

Pursuant to Rule 14A.36 of the Listing Rules, a shareholder with a material interest in the transaction is required to abstain from voting on the resolutions at the general meeting. Therefore, in respect of (i) the resolution regarding the grant of RSUs to Mr. YeQing ZHU under the Pre-IPO Share Incentive Plan, such grant is conditional upon approval by the Shareholders (with Mr. YeQing ZHU and his associates abstaining) at the General Meeting to be held by the Company; and (ii) the resolution regarding the grant of RSUs to Dr. Yiyou CHEN under the Pre-IPO Share Incentive Plan, such grant is conditional upon approval by the Shareholders (with Dr. Yiyou CHEN and his associates abstaining) at the General Meeting to be held by the Company.

The Listing Committee of the Stock Exchange has previously granted its approval for the listing of, and permission to deal in, among others, the Shares to be issued under the Pre-IPO Share Incentive Plan, subject to the fulfillment of all other conditions of the Pre-IPO Share Incentive Plan.

(2) *RSUs granted to Directors under the 2022 RSU Scheme*

The 2022 RSU Scheme was adopted on June 24, 2022 and does not constitute a share scheme pursuant to the new Chapter 17 (effective from January 1, 2023) of the Listing Rules. The Company will comply with the new Chapter 17 in accordance with the transitional arrangements for the existing 2022 RSU Scheme. As explained above, both Mr. YeQing ZHU and Dr. Yiyou CHEN are connected persons of the Company, accordingly, the grant of RSUs to each of Mr. YeQing ZHU and Dr. Yiyou CHEN under the 2022 RSU Scheme constitutes a non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to reporting, announcement, circular and independent Shareholders' approval requirements.

Pursuant to Rule 14A.36 of the Listing Rules, a shareholder with a material interest in the transaction is required to abstain from voting on the resolutions at the general meeting. Therefore, in respect of (i) the resolution regarding the grant of RSUs to Mr. YeQing ZHU under the 2022 RSU Scheme, such grant is conditional upon approval by the Shareholders (with Mr. YeQing ZHU and his associates abstaining) at the General Meeting to be held by the Company; and (ii) the resolution regarding the grant of RSUs to Dr. Yiyou CHEN under the 2022 RSU Scheme, such grant is conditional upon approval by the Shareholders (with Dr. Yiyou CHEN and his associates abstaining) at the General Meeting to be held by the Company.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of approval for the listing of, and permission to deal in, the 2,147,000 new Shares to be allotted and issued under the 2022 RSU Scheme, subject to the fulfillment of all other conditions of the 2022 RSU Scheme.

(3) *Options granted to Directors under the 2022 Share Option Scheme*

The 2022 Share Option Scheme was adopted on June 24, 2022 and does not constitute a share scheme pursuant to the new Chapter 17 (effective from January 1, 2023) of the Listing Rules. The Company will comply with the new Chapter 17 in accordance with the transitional arrangements for the existing 2022 Share Option Scheme. Pursuant to the note to Rule 17.03(4) of the Then Effective Chapter 17 of the Listing Rules, where any further grant of share options to a grantee would result in the Shares of the Company issued and to be issued upon exercise of all share options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the relevant class of shares of the Company in issue, such further grant must be separately approved by the Shareholders in general meeting.

(i) In respect of Mr. YeQing ZHU, as the total number of Shares issued and to be issued upon exercise of the Options proposed to be granted to Mr. Yeqing ZHU under the 2022 Share Option Scheme, in a 12-month period, will exceed 1% of the Shares in issue, accordingly, the grant of the Options to Mr. Yeqing ZHU under the 2022 Share Option Scheme is conditional upon approval by the Shareholders (with Mr. YeQing ZHU and his associates abstaining) at the General Meeting to be held by the Company; and (ii) in respect of Dr. Yiyou CHEN, as the total number of Shares issued and to be issued upon exercise of the Options proposed to be granted to Dr. Yiyou Chen under the 2022 Share Option Scheme, in a 12-month period, would not exceed 1% of the Shares in issue, the grant of the Options to Dr. Yiyou CHEN under the 2022 Share Option Scheme is not subject to Shareholders' approval.

Both Mr. YeQing ZHU and Dr. Yiyou CHEN did not vote on the Board resolutions approving the aforementioned grants of RSUs and Options to them, respectively. No other Directors are considered to be interested in the aforementioned grants and therefore none of them other than Mr. YeQing ZHU and Dr. Yiyou CHEN abstained from voting on the relevant Board resolutions. Dr. Yiyou CHEN did not vote on the Remuneration resolutions approving the aforementioned grants of RSUs and Options to him. No other members of the Remuneration Committee are considered to be interested in the aforementioned grants and therefore none of them other than Dr. Yiyou CHEN abstained from voting on the relevant Remuneration Committee resolutions.

The General Meeting will be convened and held for the independent Shareholders to, among other things, consider and, if thought fit, approve (i) the grant of RSUs to Mr. YeQing ZHU and Dr. Yiyou CHEN under the Pre-IPO Share Incentive Plan respectively; (ii) the grant of RSUs to Mr. YeQing ZHU and Dr. Yiyou CHEN under the 2022 RSU Scheme respectively; and (iii) the grant of Options to Mr. YeQing ZHU under the 2022 Share Option Scheme. It is expected that the circular will be issued more than 15 business days after the publication of this announcement, as more time is needed for the preparation of certain information to be included in the circular.

Each of the above three grants to Mr. YeQing ZHU and Dr. Yiyou CHEN have been reviewed and approved by the independent non-executive Directors in accordance with Rule 17.04(1) of the Listing Rules.

Save as disclosed above, to the best knowledge of the Directors, as of the date of this announcement, none of the Grantees is (i) a Director, a chief executive, a substantial shareholder of the Company, or an associate (as defined in the Listing Rules) of any of them; (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit under Rule 17.03D of the Listing Rules; or (iii) a related entity participant or service provider (as defined in the Listing Rules) with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the total issued Shares.

Reasons for and Purposes of the Grant

The purpose of the aforesaid grants is to (i) attract skilled and experienced personnel for the further development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company; (ii) recognize the contribution to the success and development of the Group made by the existing employees of Company or its subsidiary(ies); and/or (iii) generally incentivize and motivate employees of the Group to remain with, and to strive for the future development and expansion of, the Group. The RSU grant to Mr. YeQing ZHU and Dr. Yiyou CHEN under the Pre-IPO Share Incentive Plan and the 2022 RSU Scheme are part of the Company's remuneration program for employees, including executive officers, which aims to provide sufficient incentive to retain and motivate them to participate in the formulation of strategy and long-term development of the Company and to recognize their contribution to the growth of the Company.

In this regard, the Directors (including independent non-executive Directors but excluding Mr. YeQing ZHU and Dr. Yiyou CHEN) and the Remuneration Committee (but excluding Dr. Yiyou CHEN) consider that the terms of the proposed RSU grants to Mr. YeQing ZHU and Dr. Yiyou CHEN under the Pre-IPO Share Incentive Plan and the 2022 RSU Scheme, respectively, are fair and reasonable, are on normal commercial terms and are in the best interests of the Company and the Shareholders as a whole.

View of Remuneration Committee

Having considered that (i) the grant of Options and RSUs can bring about immediate incentivization effect to the Directors and members of senior management, which is considered a more attractive motivation to the Directors and members of senior management for continuing to serve such roles; (ii) the grant of Options and RSUs is a recognition for their past contributions to the Group; (iii) the grant of Options and RSUs will not impose additional pressure on the Group's cash flow which is significant to the Group's development at the present stage; (iv) both of the 2022 RSU Scheme and 2022 Option Scheme are adopted before the new Chapter 17 came into effect and therefore not required to set a performance target; and (v) the grant of Options and RSUs without performance target is consistent with the Company's customary practice on previous grants of share incentives to the Directors and members of senior management, the Remuneration Committee considers that without performance target, the grant of Options under the 2022 Option Scheme and RSUs under the 2022 RSU Scheme to the Directors and relevant members of senior management could align the interests of the grantees with incentive to the grantees to work towards successes of the Group, and reinforce their commitment to long term services of the Group, which is in line with the purpose of the 2022 RSU Scheme and the 2022 Share Option Scheme.

Market Value

Based on the closing price of HK\$27.90 per Share as quoted on the Stock Exchange on the date of this announcement, the market value of the RSUs granted to Mr. YeQing ZHU and Dr. Yiyou CHEN under the Pre-IPO Share Incentive Plan amounts to approximately HK\$13,400,370 and HK\$1,051,830 respectively, and the market value of the RSUs granted to Mr. YeQing ZHU and Dr. Yiyou CHEN under the 2022 RSU Scheme amounts to approximately HK\$10,166,760 and HK\$2,131,560 respectively.

Information about the Company

The Company was founded in June 2018 and is a commercial stage biotech company focused on developing and commercializing innovative cancer screening products to address significant unmet medical needs in the cancer screening in China. The Company have built an early detection and cancer screening focused pipeline of commercialized products and product candidates with a strategic emphasis on colorectal cancer screening. The Company has established an integrated molecular cancer screening platform with comprehensive research and development, clinical development, testing operations and commercialization capabilities.

DEFINITIONS

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

“2022 RSU Scheme” the restricted share unit scheme of the Company approved and adopted by the Company on June 24, 2022, in its present form or as amended from time to time in accordance with the rules relating to the 2022 RSU Scheme, as amended, modified or supplemented from time to time

“2022 Share Option Scheme” the share option scheme of the Company approved and adopted by the Company on June 24, 2022, in its present form or as amended from time to time in accordance with the rules relating to the 2022 Share Option Scheme, as amended, modified or supplemented from time to time

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Company”	New Horizon Health Limited (諾輝健康), an exempted company with limited liability incorporated under the laws of the Cayman Islands on June 7, 2018, the shares of which are listed on the Main Board of the Stock Exchange
“Consultant”	any person (other than an Employee or a Director) who is engaged by the Company or any other member of the Group to render consulting or advisory services to the Company or such or any other member of the Group
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Employee”	any individual being an employee, director or officer of any member of the Group
“Exercise Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option
“General Meeting”	the next general meeting to be convened by the Company
“Grantee(s)”	Employee(s), Director(s) or Consultant(s) who accepts the offer of (i) grant of RSU in accordance with the terms of the Pre-IPO Share Incentive Plan or (where the context so permits) a person or persons who is or becomes entitled to exercise any such Option under the terms of the Pre-IPO Share Incentive Plan or by operation of law; (ii) grant of RSU in accordance with the terms of the 2022 RSU Scheme or (where the context so permits) a person or persons who is or becomes entitled to exercise any such RSU under the terms of the 2022 RSU Scheme or by operation of law; or (iii) grant of an Option in accordance with the terms of the 2022 Share Option Scheme or (where the context so permits) a person or persons who is or becomes entitled to exercise any such Option under the terms of the 2022 Share Option Scheme or by operation of law
“Group”	the Company, its subsidiaries and consolidated affiliated entities from time to time, and “member of the Group” means any or a specific one of them
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party(ies)”	any entity(ies) or person(s) who is not a connected person of the Company within the meaning of the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Option(s)”	a right to subscribe for Shares granted pursuant to the terms of the 2022 Share Option Scheme
“Pre-IPO Share Incentive Plan”	the pre-IPO share incentive plan effective as of October 10, 2018 and further amended and approved on August 17, 2020
“RSU(s)”	the restricted share unit(s)
“Share(s)”	ordinary shares in the share capital of the Company with a nominal value of US\$0.00005 each (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
“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“Then Effective Chapter 17”	the then effective chapter 17 of the Listing Rules valid before January 1, 2023
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, June 11, 2023

As at the date of this announcement, the Board of Directors of the Company 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.