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New Horizon Health Limited
諾輝健康

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

POSITIVE PROFIT ALERT

This announcement is made by New Horizon Health Limited (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of The Laws of Hong Kong).

The Company wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the Group’s unaudited management accounts for the year ended December 31, 2023 (all figures in this announcement exclude ex-mainland China sales and profit from partners of the Group) and the information currently available, the total revenue of the Group for the year ended December 31, 2023 is expected to be within the range of RMB1,978.8 million to RMB2,049.8 million, representing an increase in the range of 158.9% to 168.2% from approximately RMB764.4 million for the year ended December 31, 2022. The gross profit of the Group for the year ended December 31, 2023 is expected to be within the range of RMB1,807.6 million to RMB1,873.2 million, representing an increase in the range of 179.9% to 190.0% from approximately RMB645.9 million for the year ended December 31, 2022. The increase in total revenue and gross profit was mainly due to the increased revenue and gross profit of the Group’s products, namely, ColoClear, UU Tube and Pupu Tube. In particular,

- i. Revenue from sales of ColoClear for the year ended December 31, 2023 is expected to be within the range of RMB1,176.9 million to RMB1,209.9 million, representing an increase in the range of 230.6% to 239.9% from approximately RMB356.0 million for the year ended December 31, 2022. The gross profit from sales of ColoClear for the year ended December 31, 2023 is expected to be within the range of RMB1,080.6 million to RMB1,109.6 million, representing an increase in the range of 263.8% to 273.6% from approximately RMB297.0 million for the year ended December 31, 2022. The increase in the revenue and gross profit from sales of ColoClear is due to (a) the increase in volume of ColoClear sold and recognized as revenue; and (b) the increase in revenue per test due to the average price per unit increased across all sales channels. Specifically, for the year ended December 31, 2023, hospital channel was the largest revenue contributor and the fastest growing channel for ColoClear, followed by consumer healthcare channel¹ and health checkup centers;

¹ Consumer healthcare channel includes sales from insurance companies, population management companies, and e-commerce platforms.

- ii. Revenue from sales of UU Tube for the year ended December 31, 2023 is expected to be within the range of RMB453.7 million to RMB472.7 million, representing an increase in the range of 118.3% to 127.5% from approximately RMB207.8 million for the year ended December 31, 2022. The gross profit from sales of UU Tube for the year ended December 31, 2023 is expected to be within the range of RMB427.8 million to RMB446.1 million, representing an increase in the range of 127.1% to 136.8% from approximately RMB188.4 million for the year ended December 31, 2022. The increase in the revenue and gross profit from sales of UU Tube is due to (a) the increase in volume of UU Tube sold and recognized as revenue; and (b) higher revenue per product in consumer healthcare channel and health checkup centers; and
- iii. Revenue from sales of Pupu Tube for the year ended December 31, 2023 is expected to be within the range of RMB346.9 million to RMB365.9 million, representing an increase in the range of 72.9% to 82.4% from approximately RMB200.6 million for the year ended December 31, 2022. The gross profit from sales of Pupu Tube for the year ended December 31, 2023 is expected to be within the range of RMB305.0 million to RMB323.3 million, representing an increase in the range of 85.3% to 96.4% from approximately RMB164.6 million for the year ended December 31, 2022. The increase in the revenue and gross profit from sales of Pupu Tube is due to (a) the increase in volume of Pupu Tube sold and recognized as revenue; and (b) higher revenue per product in consumer healthcare channel and health checkup centers.

The sales volume of the Group's products, namely, ColoClear, Pupu Tube and UU Tube for the year ended December 31, 2023 increased significantly over the same period of last year. In particular,

- i. Revenue-recognized volume of ColoClear for the year ended December 31, 2023 was approximately 1,040,800 units, representing a 188% increase compared to approximately 361,400 units over the same period in 2022. The revenue-recognized volume growth was driven by (a) the increasing public awareness of colorectal cancer and cancer screening among customers; (b) the expanded coverage of provincial pricing guidance and hospital access; and (c) the increasing physician adoption within covered hospitals;
- ii. Revenue-recognized volume of UU Tube for the year ended December 31, 2023 was approximately 6,237,700 units, representing a 76% increase compared to approximately 3,550,900 units over the same period in 2022. The sales performance of UU Tube was driven by public awareness of Helicobacter pylori and the convenience by UU Tube as a non-invasive self-test which is highly recognized by the market; and
- iii. Revenue-recognized volume of Pupu Tube for the year ended December 31, 2023 was approximately 10,187,600 units, representing a 28% increase compared to approximately 7,962,600 units over the same period in 2022. The sales performance of Pupu Tube improved continuously due to strong market demand from consumer healthcare channel and health checkup centers.

For the year ended December 31, 2023, Group trade receivables and customer prepayments are expected to be within the range of RMB1,383.1 million to RMB1,463.1 million, among which, RMB1,160.3 million to RMB1,200.3 million are cash collections from receivables, and RMB222.8 million to RMB262.8 million are from prepayments.

As of December 31, 2023, the balance of cash and selected financial assets is expected to be within the range of RMB1,819.0 million to RMB1,821.0 million, compared to approximately RMB1,572.7 million as of December 31, 2022. Cash and selected financial assets include cash and cash equivalents, time deposits over three months, structured deposits, restricted bank deposits and pledged bank deposits in financial statement.

As of December 31, 2023, net trade receivables are expected to be within the range of RMB1,448.2 million to RMB1,488.2 million, compared to net trade receivables amounted to approximately RMB554 million as of December 31, 2022.

	Revenue for the year ended December 31⁽¹⁾,		YoY Growth
	2023 (Unaudited) RMB million	2022 (Audited) RMB million	
ColoClear	1,193.4	356.0	235.2%
UU Tube	463.2	207.8	122.9%
Pupu Tube	356.4	200.6	77.7%
Others	1.3	–	n/m
Total revenue	<u>2,014.3</u>	<u>764.4</u>	<u>163.5%</u>

	Gross profit for the year ended December 31⁽¹⁾,		YoY Growth
	2023 (Unaudited) RMB million	2022 (Audited) RMB million	
ColoClear	1,095.1	297.0	268.7%
UU Tube	437.0	188.4	132.0%
Pupu Tube	314.2	164.6	90.9%
Others	(5.9)	(4.1)	n/m
Total gross profit	<u>1,840.4</u>	<u>645.9</u>	<u>184.9%</u>

	Revenue-recognized Volumes for the year ended December 31⁽¹⁾,		YoY Growth
	2023 (Units)	2022 (Units)	
ColoClear	1,040,800	361,400	188%
UU Tube	6,237,700	3,550,900	76%
Pupu Tube	10,187,600	7,962,600	28%

**For the year
ended December 31⁽¹⁾,
2023 2022
(Unaudited) (Audited)
RMB million RMB million**

Cash and selected financial assets⁽²⁾ **1,820.0** 1,572.7

The following is an aged analysis of net trade receivables, presented based on revenue recognition dates as at December 31, 2023 and at December 31, 2022:

	At December 31, 2023⁽¹⁾ RMB million (Unaudited)	At June 30, 2023 RMB million (Unaudited)	At December 31 2022 RMB million (Audited)
0-90 days	451.6	543.2	300.6
91-180 days	589.5	184.1	156.3
181-365 days	403.6	211.7	80.1
Over 1 year	23.5	15.2	17.0
Total	1,468.2	954.2	554.0

* “n/m” denotes “not meaningful”.

- (1) Revenue, gross profit, revenue recognized volumes, cash and selected financial assets and net trade receivables are calculated with values at the mid-point of the forecast range.
- (2) Cash and selected financial assets include cash and cash equivalents, time deposits over three months, structured deposits, restricted bank deposits and pledged bank deposits in financial statement.

**Sales of
ColoClear from
Clinical Channel**

	First half of 2023		Second half of 2023	
	Revenue-recognized Volume (Units)	Revenue (RMB million)	Revenue-recognized Volume (Units)	Revenue (RMB million)
Public Hospitals	11,300	14.5	33,600	47.8
Private Hospitals	79,500	127.7	156,000	245.2
Clinics	54,200	80.7	49,300	78.2
Others	27,000	32.1	30,100	23
Total	172,000	255.0	269,000	394.2

The Company is still in the process of finalizing the annual results of the Group for the year ended December 31, 2023. The operating statistics disclosed above are unaudited and based on the preliminary internal information of the Group, which may be subject to change and may differ from the figures to be disclosed in the audited consolidated financial statements to be published by the Company on an annual basis due to various uncertainties during the process of collating such operating information. Such information has not been audited or reviewed by the auditors of the Company or the audit committee of the board of directors (the “**Board**”) of the Company. They shall not be taken as a measure or indication of the Group’s current or future operating or financial performance nor shall they be taken as a representation by the Group of the corresponding figures as may be provided in due course in the Group’s audited consolidated financial statements. As such, the above statistics are provided for investors’ reference only. Shareholders of the Company and potential investors are advised to read carefully about the annual results announcement of the Company for the year ended December 31, 2023, which is expected to be published in March 2024 in accordance with the requirements of the Listing Rules.

Shareholders of the Company and potential investors are advised not to place any reliance on the information disclosed herein but to exercise due caution when dealing in the securities of the Company. When in doubt, shareholders of the Company and potential investors are advised to seek professional advice from professional or financial advisers.

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

Hong Kong, January 22, 2024

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.