Mega Genomics Limited
美因基因有限公司*
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 6667)

VOLUNTARY ANNOUNCEMENT
THE ENTERING OF NEW CONTRACTUAL ARRANGEMENTS

Reference is made to the sections headed "History, Reorganization and Group Structure – Reorganization" and "Financial Information" in the Prospectus in relation to the Capital Reduction, pursuant to which Mega Genomics Beijing commenced a capital reduction process to facilitate the Reorganization. On 28 September 2022, the Company completed the routine registration of the Capital Reduction with the local Administration for Market Regulation (the "**Capital Reduction Procedures**"). Subsequent to completion of the Capital Reduction Procedures, 6 out of 24 Registered Shareholders ceased to be the shareholders of Mega Genomics Beijing (the "**Terminated Registered Shareholders**"), while the rest of the Registered Shareholders remain as the shareholders of Mega Genomics Beijing.

Reference is also made to the sections headed "Contractual Arrangements" and "Connected Transactions" in the Prospectus in relation to the Existing Contractual Arrangements. The Board is pleased to announce that on 28 September 2022, Mega Genomics Beijing, the New Registered Shareholders and Mega Genomics WFOE entered into the New Contractual Arrangements to reflect the reduction in the Registered Shareholders subsequent to completion of the Capital Reduction Procedures, with certain relevant agreements under the Existing Contractual Arrangements terminated accordingly. Save for the identity of the Registered Shareholders, the New Contractual Arrangements are a reproduction of the Existing Contractual Arrangements and on the same terms and conditions as the Existing Contractual Arrangements.

* *For identification purposes only*

LISTING RULES IMPLICATIONS

As the PRC Consolidated Entities are treated as the Company's wholly-owned subsidiaries, and their directors, chief executives or substantial shareholders (as defined in the Listing Rules) and their respective associates are treated as the Company's "connected persons" under Chapter 14A of the Listing Rules, certain transactions contemplated under the New Contractual Arrangements are continuing connected transactions of the Company.

At the time of the Listing, the Company sought, and the Stock Exchange granted, the IPO Waiver in connection with the continuing connected transactions of the Group in the form of the Existing Contractual Arrangements. The IPO Waiver is subject to certain conditions including, among others, on the basis that the Existing Contractual Arrangements provide an acceptable framework for the relationship between the Company and its subsidiaries in which the Company has direct shareholding, on one hand, and Mega Genomics Beijing, on the other hand, that framework may be renewed and/or reproduced upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign owned enterprise or operating company engaging in the same business as that of the Group which the Group might wish to establish when justified by business expediency, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as the Existing Contractual Arrangements.

Since the New Contractual Arrangements are reproduced from the Existing Contractual Arrangements as provided under the conditions of the IPO Waiver, the Company has sought confirmation from the Stock Exchange, and the Stock Exchange has confirmed that the transactions contemplated under the New Contractual Arrangements would fall within the scope of the IPO Waiver from the requirements of Chapter 14A of the Listing Rules as set out in the IPO Waiver and are exempt from (i) the announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules, (ii) the requirement of setting an annual cap for the transactions under the New Contractual Arrangements under Rule 14A.53 of the Listing Rules, and (iii) the requirement of limiting the term of the New Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as the Shares are listed on the Stock Exchange, subject to compliance with the same conditions of the IPO Waiver.

The Company has discussed with its auditor and confirmed that, upon the signing of the New Contractual Arrangements, the financial results of the PRC Consolidated Entities will continue to be consolidated into its financial statements as if they were wholly-owned subsidiaries of the Company under the prevailing accounting principles.

INTRODUCTION

Reference is made to the sections headed "History, Reorganization and Group Structure – Reorganization" and "Financial Information" in the Prospectus in relation to the Capital Reduction, pursuant to which Mega Genomics Beijing commenced a capital reduction process to facilitate the Reorganization. On 28 September 2022, the Company completed the routine registration of the Capital Reduction with the local Administration for Market Regulation. Subsequent to completion of the Capital Reduction Procedures, 6 out of 24 Registered Shareholders ceased to be the shareholders of Mega Genomics Beijing, while the rest of the Registered Shareholders remain as the shareholders of Mega Genomics Beijing.

Reference is also made to the sections headed "Contractual Arrangements" and "Connected Transactions" in the Prospectus in relation to the Existing Contractual Arrangements. The Board is pleased to announce that on 28 September 2022, Mega Genomics Beijing, the New Registered Shareholders and Mega Genomics WFOE entered into the New Contractual Arrangements to reflect the reduction in the Registered Shareholders subsequent to completion of the Capital Reduction Procedures, with certain relevant agreements under the Existing Contractual Arrangements terminated accordingly. Save for the identity of the Registered Shareholders, the New Contractual Arrangements are a reproduction of the Existing Contractual Arrangements and on the same terms and conditions as the Existing Contractual Arrangements.

THE NEW CONTRACTUAL ARRANGEMENTS

As disclosed in the section headed "Contractual Arrangements" in the Prospectus, the Company is engaged in the provision of consumer genetic testing services and cancer screening services, which are classified as foreign investment prohibited businesses under applicable PRC laws, regulations or rules. In order to comply with PRC laws and regulations, and maintain effective control over the Company's genetic testing services, Mega Genomics WFOE entered into the Existing Contractual Arrangements with Mega Genomics Beijing and the Registered Shareholders, whereby Mega Genomics WFOE acquired effective control over the financial and operational management and results of the PRC Consolidated Entities, and became entitled to all the economic benefits derived from the operations of the PRC Consolidated Entities.

On 28 September 2022, Mega Genomics Beijing, the New Registered Shareholders and Mega Genomics WFOE entered into the New Contractual Arrangements to reflect the reduction in the Registered Shareholders subsequent to completion of the Capital Reduction Procedures. Save for the identity of the Registered Shareholders, the New Contractual Arrangements are a reproduction of the Existing Contractual Arrangements and on the same terms and conditions as the Existing Contractual Arrangements. Since the Terminated Registered Shareholders ceased to be the shareholders of Mega Genomics Beijing upon completion of the Capital Reduction Procedures, certain agreements in relation to the Terminated Registered Shareholders under the Existing Contractual Arrangements were terminated accordingly. For the avoidance of doubt, the remaining agreements under the Existing Contractual Arrangements remain unchanged, valid and in effect.

Below sets out the particulars of the New Contractual Arrangements (including the agreements that remain unchanged under the Existing Contractual Arrangements):

No.	New Contractual Arrangements	Details of the New Contractual Arrangements (including the amendments to the Existing Contractual Arrangements)
1	New Exclusive Option Agreement	On 28 September 2022, the New Exclusive Option Agreement was entered into among Mega Genomics Beijing, the New Registered Shareholders and Mega Genomics WFOE, pursuant to which Mega Genomics WFOE was granted an irrevocable and exclusive right to purchase all or any of the equity interest in Mega Genomics Beijing held by the New Registered Shareholders at present or in the future and/or all or any of the assets of Mega Genomics Beijing for a consideration equivalent to the lowest price permitted under PRC laws at the time of purchase.
2	Exclusive Consultancy and Services Agreement	Given that the Terminated Registered Shareholders are not the signing parties to this agreement under the Existing Contractual Arrangements, the Exclusive Consultancy and Services Agreement remains unchanged, valid and in effect.
3	New Equity Pledge Agreement	On 28 September 2022, the New Equity Pledge Agreement was entered into among Mega Genomics Beijing, the New Registered Shareholders and Mega Genomics WFOE, pursuant to which the New Registered Shareholders pledged as first charge all of their respective equity interests in Mega Genomics Beijing to Mega Genomics WFOE as collateral security to secure performance of their obligations and Mega Genomics Beijing's obligations under this agreement, the New Exclusive Option Agreement, the Exclusive Consultancy and Services Agreement, and the Powers of Attorney.
4	Powers of Attorney	Given that the Terminated Registered Shareholders ceased to be the shareholders of Mega Genomics Beijing subsequent to completion of the Capital Reduction Procedures, the relevant Powers of Attorney signed by the Terminated Registered Shareholders under the Existing Contractual Arrangements were terminated accordingly. For the avoidance of doubt, the remaining Powers of Attorney remain unchanged, valid and in effect.

No.	New Contractual Arrangements	Details of the New Contractual Arrangements (including the amendments to the Existing Contractual Arrangements)
5	Spouse Undertakings	Since all the Terminated Registered Shareholders are entity shareholders and there is no need to obtain spouse undertakings relevant to them, all the Spouse Undertakings remain unchanged, valid and in effect.
6	Undertakings by the Individual Registered Shareholders	Since none of the Terminated Registered Shareholders are the Platform Registered Shareholders whose ultimate beneficial owners need to provide respective undertakings as disclosed in the Prospectus, all the undertakings given by the Individual Registered Shareholders remain unchanged, valid and in effect.

Therefore, the New Contractual Arrangements, having their terms and conditions substantially the same as those of the Existing Contractual Arrangements, are a reproduction of the Existing Contractual Arrangements, save for the identity of the Registered Shareholders. The New Contractual Arrangements were entered into so as to reflect the reduction in the Registered Shareholders subsequent to completion of the Capital Reduction Procedures.

REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW CONTRACTUAL ARRANGEMENTS

The reason for entering into the New Contractual Arrangements is to reflect the reduction in the Registered Shareholders upon completion of the Capital Reduction Procedures of Mega Genomics Beijing.

As disclosed in the sections headed "History, Reorganization and Group Structure – Reorganization" and "Financial Information" in the Prospectus, Mega Genomics Beijing commenced a capital reduction process and issued a total payment of RMB214.1 million to the Registered Shareholders as a result of the Capital Reduction. The Capital Reduction is conducted for the purpose of facilitating the Reorganization and converting the equity interests in Mega Genomics Beijing into equity interests in the Company. On 1 April 2022, the Registered Shareholders adopted resolutions to authorize the Capital Reduction of Mega Genomics Beijing and the entire balance of RMB214.1 million in prepayments to the Registered Shareholders was settled on the same date. As advised by the Company's PRC Legal Advisor, the Capital Reduction process of Mega Genomics Beijing was deemed substantially complete as of 1 April 2022, subject to routine registration of the capital reduction with the local Administration for Market Regulation, and that there are no foreseeable legal impediments to complete the capital reduction process.

On 28 September 2022, the Company completed the abovementioned Capital Reduction Procedures as disclosed in the Prospectus. Subsequent to completion of the Capital Reduction Procedures, the Terminated Registered Shareholders, also being the signing parties to certain agreements under the Existing Contractual Arrangements, ceased to be the shareholders of Mega Genomics Beijing. Therefore, the Company entered into the New Contractual Arrangements with the New Registered Shareholders to reflect the reduction in the Registered Shareholders of Mega Genomics Beijing subsequent to completion of the Capital Reduction Procedures.

INFORMATION ABOUT THE GROUP AND PARTIES TO THE NEW CONTRACTUAL ARRANGEMENTS

The Group is principally engaged in, through Mega Genomics WFOE, the provision of consumer genetic testing services and cancer screening services.

Mega Genomics WFOE is a limited liability company incorporated under the PRC laws and a wholly-owned subsidiary of the Company.

Mega Genomics Beijing is a limited liability company incorporated under the PRC laws and one of the Company's PRC Consolidated Entities. Mega Genomics Beijing is principally engaged in the provision of consumer genetic testing services and cancer screening services.

The New Registered Shareholders are 18 out of 24 Registered Shareholders who remain as the shareholders of Mega Genomics Beijing subsequent to completion of the Capital Reduction Procedures, including Meinian OneHealth Healthcare Holdings Co., Ltd. (美年大健康產業控股股份有限公司) ("**Meinian OneHealth**"), Tianjin Hongyin Technology Center (LP) (天津宏因科技中心(有限合夥)) ("**Tianjin Hongyin**"), Ms. Guo Meiling (郭美玲) ("**Ms. Guo**"), Tianjin Meihong Technology Center (LP) (天津美宏科技中心(有限合夥)) ("**Tianjin Meihong**"), Beijing Yinwei Technology Center (LP) (北京因衛科技中心(有限合夥)) ("**Beijing Yinwei**"), Beijing Shiji Yuneng Technology Co., Ltd. (北京世紀宇能科技有限公司) ("**Beijing Shiji**"), Qingdao Damei Xinhe Health Technology Partnership (LP) (青島大美鑫河健康科技合夥企業(有限合夥)) ("**Qingdao Damei**"), Zhuhai Zhongwei Yijian Equity Investment Fund (LP) (珠海中衛易健股權投資基金(有限合夥)) ("**Zhuhai Zhongwei**"), Maccura Biotechnology Co., Ltd. (邁克生物股份有限公司) ("**Maccura Biotechnology**"), Tianjin Meizhiyin Technology Center (LP) (天津美之因科技中心(有限合夥)) ("**Tianjin Meizhiyin**"), Zhang Yajun (張雅軍), Deng Zhenguo (鄧振國), Liu Yi (劉伊), Hu Jianping (胡劍萍), Si Yali (司亞麗), Gong Yudong (宮玉棟), Song Xinbo (宋新波) and Zhou Quan (周全). Among the New Registered Shareholders, Meinian OneHealth and Ms. Guo are the controlling shareholders of the Company.

LISTING RULES IMPLICATIONS

As the PRC Consolidated Entities are treated as the Company's wholly-owned subsidiaries, and their directors, chief executives or substantial shareholders (as defined in the Listing Rules) and their respective associates are treated as the Company's "connected persons" under Chapter 14A of the Listing Rules, certain transactions contemplated under the New Contractual Arrangements are continuing connected transactions of the Company.

At the time of the Listing, the Company sought, and the Stock Exchange granted, the IPO Waiver in connection with the continuing connected transactions of the Group in the form of the Existing Contractual Arrangements. The IPO Waiver is subject to certain conditions including, among others, on the basis that the Existing Contractual Arrangements provide an acceptable framework for the relationship between the Company and its subsidiaries in which the Company has direct shareholding, on one hand, and Mega Genomics Beijing, on the other hand, that framework may be renewed and/or reproduced upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign owned enterprise or operating company engaging in the same business as that of the Group which the Group might wish to establish when justified by business expediency, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as the Existing Contractual Arrangements.

Since the New Contractual Arrangements are reproduced from the Existing Contractual Arrangements as provided under the conditions of the IPO Waiver, the Company has sought confirmation from the Stock Exchange, and the Stock Exchange has confirmed that the transactions contemplated under the New Contractual Arrangements would fall within the scope of the IPO Waiver from the requirements of Chapter 14A of the Listing Rules as set out in the IPO Waiver and are exempt from (i) the announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules, (ii) the requirement of setting an annual cap for the transactions under the New Contractual Arrangements under Rule 14A.53 of the Listing Rules, and (iii) the requirement of limiting the term of the New Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as the Shares are listed on the Stock Exchange, subject to compliance with the same conditions of the IPO Waiver.

The Company has discussed with its auditor and confirmed that, upon the signing of the New Contractual Arrangements, the financial results of the PRC Consolidated Entities will continue to be consolidated into its financial statements as if they were wholly-owned subsidiaries of the Company under the prevailing accounting principles.

GENERAL

No Director has a material interest in, or was required to abstain from voting on the Board resolutions approving the New Contractual Arrangements. The Directors (including the independent non-executive Directors) have considered each of the New Contractual Arrangements and have determined that each of the New Contractual Arrangements is: (i) fair and reasonable; (ii) on normal commercial terms or better and in the ordinary and usual course of business of the Group; and (iii) in the best interests of the Company and the Shareholders as a whole.

DEFINITIONS

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

"Board"	board of directors of the Company
"Capital Reduction"	the reduction in the registered capital of Mega Genomics Beijing, details of which are described in the sections headed "History, Reorganization and Group Structure – Reorganization" and "Financial Information" in the Prospectus and "Reasons for and Benefits of Entering into the New Contractual Arrangements" in this announcement
"Company"	Mega Genomics Limited (美因基因有限公司*), an exempted company with limited liability incorporated in the Cayman Islands whose Shares are listed on the Main Board of the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules

"Director(s)"	the director(s) of the Company
"Exclusive Consultancy and Services Agreement"	the exclusive consultancy and services agreement dated 10 June 2021 between Mega Genomics Beijing and Mega Genomics WFOE, details of which are described in the section headed "Contractual Arrangements – Summary of the Contractual Arrangements – Exclusive Consultancy and Services Agreement" in the Prospectus
"Existing Contractual Arrangements"	the series of contractual arrangements entered into between, among others, Mega Genomics WFOE, the PRC Consolidated Entities and the Registered Shareholders, details of which are described in the section headed "Contractual Arrangements" in the Prospectus
"Group"	the Company and its subsidiaries (including the PRC Consolidated Entity(ies)) from time to time
"Individual Registered Shareholders"	the ultimate beneficial owners of Platform Registered Shareholders, including the registered shareholders of Tianjin Hongyin, Tianjin Meihong and Tianjin Meizhiyin and the ultimate beneficial owner of Beijing Yinwei
"IPO Waiver"	the waiver granted by the Stock Exchange to the Company from strict compliance with (i) the announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Existing Contractual Arrangements, (ii) the requirement of setting annual caps for the transactions under the Existing Contractual Arrangements under Rule 14A.53 of the Listing Rules, and (iii) the requirement of limiting the term of the Existing Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as the Shares are listed on the Stock Exchange, subject to certain conditions, details of which are disclosed in the section headed "Connected Transactions" in the Prospectus
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Mega Genomics Beijing"	Mega Genomics (Beijing) Co., Ltd. (美因健康科技(北京)有限公司), a limited liability company incorporated in the PRC on 5 January 2016 and one of the PRC Consolidated Entities
"Mega Genomics WFOE"	Mega (Tianjin) Investment Co., Ltd. (美因(天津)投資有限公司), a limited liability company incorporated in the PRC on 24 May 2021 and a wholly-owned subsidiary of the Company

"New Contractual Arrangements"	the series of contractual arrangements entered into between, among others, Mega Genomics WFOE, Mega Genomics Beijing and the New Registered Shareholders, details of which are described in the section headed "the New Contractual Arrangements" in this announcement
"New Equity Pledge Agreement"	the new equity pledge agreement entered into on 28 September 2022 among Mega Genomics WFOE, Mega Genomics Beijing and the New Registered Shareholders
"New Exclusive Option Agreement"	the new exclusive option agreement entered into on 28 September 2022 among Mega Genomics WFOE, Mega Genomics Beijing and the New Registered Shareholders
"New Registered Shareholders"	the 18 out of 24 Registered Shareholders who remain as the shareholders of Mega Genomics Beijing subsequent to completion of the Capital Reduction Procedures and have entered into the New Contractual Arrangements, including Meinian OneHealth, Tianjin Hongyin, Ms. Guo, Tianjin Meihong, Beijing Yinwei, Beijing Shiji, Qingdao Damei, Zhuhai Zhongwei, Maccura Biotechnology, Tianjin Meizhiyin, Zhang Yajun (張雅軍), Deng Zhenguo (鄧振國), Liu Yi (劉伊), Hu Jianping (胡劍萍), Si Yali (司亞麗), Gong Yudong (宮玉棟), Song Xinbo (宋新波) and Zhou Quan (周全)
"Platform Registered Shareholders"	including Tianjin Hongyin, Tianjin Meihong, Tianjin Meizhiyin and Beijing Yinwei
"Powers of Attorney"	the powers of attorney provided by each of the Registered Shareholders dated 10 June 2021, details of which are described in the section headed "Contractual Arrangements – Summary of the Contractual Arrangements – Powers of Attorney" in the Prospectus
"PRC"	the People's Republic of China, and for the purposes of this announcement only, except where the context requires otherwise, excluding Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan
"PRC Consolidated Entity(ies)"	the entities the Company controls through the Existing Contractual Arrangements, namely Mega Genomics Beijing and its subsidiaries, the financial results of which have been consolidated and accounted for as subsidiaries of the Company by virtue of the contractual arrangements
"PRC Legal Advisor"	King & Wood Mallesons
"Prospectus"	the prospectus of the Company dated 10 June 2022

"Registered Shareholders"	the 24 direct shareholders of Mega Genomics Beijing who have entered into the Existing Contractual Arrangements, including Meinian OneHealth, Tianjin Hongyin, Ms. Guo, Tianjin Meihong, Beijing Yinwei, Beijing Shiji, Qingdao Damei, Zhuhai Zhongwei, Tibet Tengyun Investment Management Co., Ltd. (西藏騰雲投資管理有限公司), Maccura Biotechnology, Xiamen Fanding Jiayin Equity Investment Partnership (LP)) (廈門泛鼎佳因股權投資合夥企業(有限合夥)), Ganzhou Zhangxin Investment Center (LP)) (贛州璋信投資中心(有限合夥)), Suzhou Ruihua Investment Partnership (LP) (蘇州瑞華投資合夥企業(有限合夥)), Tianjin Meizhiyin, Qingdao Huichuang Qihang Equity Investment Partnership (LP) (青島匯創啟航股權投資合夥企業(有限合夥)), Zhang Yajun (張雅軍), Deng Zhenguo (鄧振國), Liu Yi (劉伊), Hu Jianping (胡劍萍), Shanghai Yifangda New Hope Equity Investment Fund (LP) (上海易方達新希望股權投資基金(有限合夥)), Si Yali (司亞麗), Gong Yudong (宮玉棟), Song Xinbo (宋新波) and Zhou Quan (周全)
"Reorganization"	the reorganization arrangements undergone by the Group in preparation for the Listing as described in the section headed "History, Reorganization and Group Structure" in the Prospectus
"RMB"	Renminbi, the lawful currency of China
"Share(s)"	ordinary share(s) in the share capital of the Company with a par value of US$0.0001 each
"Shareholder(s)"	holder(s) of the Share(s)
"Spouse Undertakings"	the spouse undertakings given by each of the spouses of the individual Registered Shareholders dated 10 June 2021, details of which are described in the section headed "Contractual Arrangements – Summary of the Contractual Arrangements – Spouse Undertakings" in the Prospectus
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules

* *For identification purposes only*

By Order of the Board
Mega Genomics Limited
LIN Lin
Executive Director and Chairperson

Hong Kong, 29 September 2022

As at the date of this announcement, the Board comprises Dr. Yu Rong, Ms. Lin Lin, Mr. Huang Yufeng and Ms. Jiang Jing as executive Directors; Ms. Guo Meiling as non-executive Director; and Dr. Zhang Ying, Mr. Jia Qingfeng and Dr. Xie Dan as independent non-executive Directors.