



New Century Healthcare Holding Co. Limited  
新世紀醫療控股有限公司

(Incorporated in the Cayman Islands with limited liability)  
Stock Code: 1518

2021 INTERIM REPORT



The background features a large, semi-circular graphic on the left side, composed of several concentric arcs and segments. Interspersed around this graphic are various white line-art icons: a person holding a child, a pair of hands holding a plant, a pair of hands shaking, a pair of scissors, and a building. The overall color scheme is a gradient of light red and pink.

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The English text of this interim report shall prevail over the Chinese text in case of any inconsistency.

# Corporate Information

## DIRECTORS

### Executive Directors:

Mr. Jason ZHOU (*Chairman and Chief Executive Officer*)  
Ms. XIN Hong (*Senior Vice President and Chief Operating Officer*)  
Mr. XU Han (*Senior Vice President and Chief Financial Officer*)

### Non-executive Directors:

Mr. GUO Qizhi  
Mr. WANG Siye  
Dr. CHENG Chi-Kong, Adrian  
Mr. YANG Yuelin  
Mr. FENG Xiaoliang  
(*resigned with effect from January 1, 2021*)  
Mr. XIE Qiang  
(*appointed with effect from January 1, 2021*)

### Independent non-executive Directors:

Mr. WU Guanxiong  
Mr. SUN Hongbin  
Mr. JIANG Yanfu  
Dr. MA Jing

## AUDIT COMMITTEE

Mr. SUN Hongbin (*Chairman*)  
Mr. GUO Qizhi  
Mr. JIANG Yanfu

## REMUNERATION COMMITTEE

Mr. WU Guanxiong (*Chairman*)  
Mr. YANG Yuelin  
Dr. MA Jing

## NOMINATION COMMITTEE

Mr. Jason ZHOU (*Chairman*)  
Mr. WU Guanxiong  
Mr. JIANG Yanfu

## AUTHORIZED REPRESENTATIVES

Mr. XU Han  
Mr. JIA Xiaofeng

## COMPANY SECRETARY

Mr. JIA Xiaofeng

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN CHINA

56 Nanlishi Road  
Xicheng District  
Beijing  
PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

16/F, Tower 5, The Gateway  
Harbour City, Tsim Sha Tsui  
Kowloon, Hong Kong

## REGISTERED OFFICE

c/o Walkers Corporate Limited  
190 Elgin Avenue  
George Town  
Grand Cayman KY1-9008  
Cayman Islands



## Corporate Information (Continued)

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Walkers Corporate Limited  
190 Elgin Avenue  
George Town  
Grand Cayman KY1-9008  
Cayman Islands

### HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

### AUDITOR

PricewaterhouseCoopers  
*Certified Public Accountants and  
Registered Public Interest Entity Auditor*  
22/F, Prince's Building  
Central, Hong Kong

### LEGAL ADVISERS

Sullivan & Cromwell (Hong Kong) LLP  
20th Floor, Alexandra House  
18 Chater Road, Central  
Hong Kong

Zhong Lun Law Firm LLP  
4th Floor, Jardine House  
1 Connaught Place, Central  
Hong Kong

### PRINCIPAL BANKER

Bank of China, Beijing Finance Street Sub-branch  
2/F, Investment Square  
No. 27 Finance Street  
Xicheng District  
Beijing

### STOCK CODE

01518

### COMPANY WEBSITE

[www.ncich.com.cn](http://www.ncich.com.cn)

# Management Discussion and Analysis

## BUSINESS REVIEW

Business revenue of the Group in the first half of 2021 recorded a substantial increase as compared to the same period last year. The Group recorded a revenue of RMB285.8 million, representing a 31.9% YoY increase, and the revenue from medical services amounted to RMB282.0 million, representing a 34.7% YoY increase. In particular, revenue from pediatric services recorded a 50.4% YoY increase to RMB221.0 million, accounting for 78.4% of the total revenue from medical services. Revenue from pediatric outpatient services recorded a 91.8% YoY increase to RMB132.7 million; the number of outpatient visits was 91,639, representing a 83.6% YoY increase. Revenue from pediatric inpatient services recorded a 30.8% YoY increase to RMB69.7 million; the number of inpatient visits was 2,589, representing a YoY increase of 33.2%.

Being a leading private pediatric and gynecologic healthcare service provider in Beijing as well as in China, we provide integrated medical services for customers in respect of pediatrics, obstetrics and gynaecology, and we are characterized by providing comprehensive and in-depth pediatric medical services. Starting from the third quarter of 2020, our pediatric business demonstrated a substantial recovery and growth, and the income level in the second quarter of 2021 was higher than that of the second quarter of 2019. The rapid recovery of pediatric business was mainly attributable to the development of the division of pediatric surgery and pediatric specialties (mainly including ophthalmology, otolaryngology, stomatology, dermatology, etc.) and the growth of the commercial insurance business. In the first half of 2021, the proportion of revenue from pediatric outpatient and inpatient services contributed by revenue from the division of pediatric surgery and pediatric specialties increased to 42.7% as compared with 30.6% in the first half of 2019, and the proportion of revenue from pediatric medical services contributed by revenue from the pediatric business with direct settlement by commercial insurance increased to 24.3% as compared with 18.7% in the first half of 2019, increasing by 12.1 percentage points and 5.6 percentage points respectively.

Revenue from obstetric and gynecologic business recorded a 2.1% YoY decrease to RMB61.0 million. Revenue from obstetric and gynecologic outpatient services recorded a 19.3% YoY increase to RMB25.3 million; the number of outpatient visits was 25,004, representing a 15.8% YoY increase, and the average outpatient spending per visit recorded a 3.2% YoY increase to RMB1,012. Revenue from obstetric and gynecologic inpatient services was RMB35.7 million, representing a 13.3% YoY decrease. The number of inpatient visits reached 1,311, representing a 10.1% YoY decrease.

Loss for the period decreased by 84.6% to RMB49.1 million, as compared to RMB319.3 million for the six months ended June 30, 2020. Adjusted loss for the period decreased by 39.2% to RMB41.7 million, as compared to RMB68.6 million for the six months ended June 30, 2020. Please refer to the section headed "Financial Review – Loss for the six months ended June 30, 2021" below for further details of the adjusted loss for the period.



## Management Discussion and Analysis (Continued)

As the impacts brought by the pandemic on certain clinics newly opened before the COVID-19 outbreak was significant and has been continuing, we made certain operational adjustments to those clinics suffering persistent loss. For the six months ended June 30, 2021, the revenue from Existing Medical Institutions amounted to RMB284.2 million, representing an increase of 34.7% as compared with the first half of 2020. The adjusted EBITDA<sup>(1)(2)</sup> of Existing Medical Institutions amounted to RMB64.8 million, representing an increase of approximately 47.9% as compared to RMB43.8 million for the same period last year. The increase in revenue and adjusted EBITDA<sup>(1)(2)</sup> was mainly due to the increase in profit in Beijing and the substantial decrease in loss of Chengdu New Century.

### Industry Outlook and the Group's Strategies

According to the Seventh National Population Census in 2020, as of November 2020, the population of children aged 0 to 14 was 254 million, accounting for 18.0% of the total population, representing an increase of 1.5 percentage points as compared with 2015. Among which, both the population of children aged 0 to 4 and that aged 5 to 14 recorded an increase. The population and health of children are of strategic importance for the long-term development of China's national strength. Ever since the adoption of two-child policy in 2015 and the introduction of Outline of the Healthy China 2030 Plan in 2016, the state's awareness on children's health has reached a new level. Policy guidance and support for children's health are provided more frequently, including requirements in respect of children's and adolescents' myopia prevention and control, mental health, oral health and health management for children aged 0 to 6. The national policy guidance has contributed significantly to enhancing public awareness of children's health management.

In addition, parents in the new era of learning focus on scientific parenting, resulting in a huge demand for preventive healthcare for children and growth and development management. This also leads to a transformation from the previous demand for pediatric illness treatment to that for diversified, niche, and personalized healthcare and health management. With the upgrading of family's health consumption after the pandemic and the family's growing interest in commercial insurance, new opportunities have been brought to the growth of children healthcare market.

According to statistics, the percentage of newborns from the second birth or onwards increased to 57% in 2019 from 45% in 2016. Following the introduction of the three-child policy, it is anticipated that the percentage of pregnant and parturient women having second birth or onwards will further increase in the future. Combined with the increasing percentage of pregnant and parturient women with advanced maternal age amidst the trend of postponement of the first birth among women, this is believed to give rise to higher demand for integrated medical technology of obstetrics and gynecology and pediatrics.

(1) Adjustment includes impairment losses on non-current assets, exchange gains and losses and impact of the RSA Scheme.

(2) EBITDA = profit before income tax + interest expense + depreciation and amortization.

## Management Discussion and Analysis (Continued)

Leveraging on its nearly 20 years of experience in healthcare services, the Group intends to grasp the industry opportunities by implementing the following measures in the second half of 2021:

- Building on the competitive advantages of cooperation from multiple disciplines in pediatrics, focus on the construction of pediatric subspecialties, and develop its product and service chain centering around the medical and health needs of customers to improve customer stickiness
- Enhance the technological edge in clinical practice of obstetrics and the capability advantages of offering integrated medical services of obstetrics and pediatrics
- Step up efforts in brand building and marketing as well as cooperation with insurance institutions to expand target customer coverage
- Empower offline physical medical institutions through technology companies and promote upgrading of operational structure and complete the in-depth integration of professional medical clinical pathway covering pre-treatment, treatment and post-treatment with customer operation to enhance customer experience in all aspects
- Optimize business structure, organizational structure and talent management in accordance with the Group's development strategies, and implement employee incentive plans in due course.



# Management Discussion and Analysis (Continued)

## FINANCIAL REVIEW

### Segment Revenue

We generate revenue primarily from providing (i) medical services, including pediatric services and obstetric and gynecologic services; and (ii) hospital consulting services. The following table sets forth a breakdown of the revenue for the periods indicated:

	Six months ended June 30,			
	2021		2020	
	<i>(in thousands of RMB, except percentages)</i>			
Medical services	282,006	98.6%	209,287	96.6%
Hospital consulting services	493	0.2%	4,176	1.9%
Others <sup>(1)</sup>	3,345	1.2%	3,228	1.5%
<b>Total</b>	<b>285,844</b>	<b>100.0%</b>	<b>216,691</b>	<b>100.0%</b>

(1) Include revenue from cafeteria and gift shop sales at our medical institutions and online healthcare services after intersegment elimination.

### Medical Services

Our revenue from the provision of medical services consists of healthcare services fees and revenue from pharmaceutical sales. The following table sets forth the revenue, cost of revenue, gross profit and gross profit margin of our medical services for the periods indicated:

	Six months ended June 30,	
	2021	2020
	<i>(in thousands of RMB, except percentages)</i>	
Revenue	282,006	209,287
Cost of revenue	208,502	166,695
Gross profit	73,504	42,592
Gross profit margin	26.1%	20.4%



## Management Discussion and Analysis (Continued)

The following table sets forth the composition of our revenue from pediatric and obstetric and gynecologic services for the periods indicated:

	Six months ended June 30,			
	2021		2020	
	<i>(in thousands of RMB, except percentages)</i>			
Pediatric services	220,992	77.3%	146,943	67.8%
Obstetric and gynecologic services	61,014	21.3%	62,344	28.8%
Total	<u>282,006</u>	<u>98.6%</u>	<u>209,287</u>	<u>96.6%</u>

Our medical services can also be classified by service and sale to inpatients and outpatients. The following table sets forth revenue and certain data relating to such classification for the periods indicated:

	Six months ended June 30,	
	2021	2020
<b>The Group</b>		
<b>Inpatients services</b>		
Inpatient visits	3,900	3,403
Average inpatient spending per visit (RMB)	27,036	27,764
<b>Outpatients services</b>		
Outpatient visits	116,643	71,493
Average outpatient spending per visit (RMB)	1,355	1,265
<b>Revenue from medical services attributable to inpatients</b> <i>(in thousands of RMB)</i>	105,441	94,480
<b>Revenue from medical services attributable to outpatients</b> <i>(in thousands of RMB)</i>	158,039	90,433
<b>Revenue recognized for membership card sales</b> <i>(in thousands of RMB)</i>	18,526	24,374
<b>Pediatric Services</b>		
<b>Inpatient services</b>		
Inpatient visits	2,589	1,944
Average inpatient spending per visit (RMB)	26,934	27,428
<b>Outpatient services</b>		
Outpatient visits	91,639	49,903
Average outpatient spending per visit (RMB)	1,448	1,388

## Management Discussion and Analysis (Continued)

	Six months ended June 30,	
	2021	2020
Revenue from medical services attributable to inpatients (in thousands of RMB)	69,732	53,321
Revenue from medical services attributable to outpatients (in thousands of RMB)	132,734	69,248
Revenue recognized for membership card sales (in thousands of RMB)	18,526	24,374
<b>Obstetric and gynecologic services</b>		
<b>Inpatient services</b>		
Inpatient visits	1,311	1,459
Average inpatient spending per visit (RMB)	27,238	28,210
<b>Outpatient services</b>		
Outpatient visits	25,004	21,590
Average outpatient spending per visit (RMB)	1,012	981
Revenue from medical services attributable to inpatients (in thousands of RMB)	35,709	41,159
Revenue from medical services attributable to outpatients (in thousands of RMB)	25,305	21,185

Revenue from provision of our medical services amounted to RMB282.0 million for the six months ended June 30, 2021, representing a 34.7% YoY increase and accounting for 98.6% of the Group's total revenue. This increase was primarily due to a 74.8% and 11.6% YOY increase in revenue from medical services attributable to the outpatients and inpatients respectively.

For the six months ended June 30, 2021, there were 2,589 pediatric services inpatient visits, representing a YoY increase of 33.2%. There were also 91,639 pediatric services outpatient visits, representing a YoY increase of 83.6%. For obstetric and gynecologic services, there were 1,311 inpatient visits, representing a YoY decrease of 10.1%, and 25,004 outpatient visits, representing a YoY increase of 15.8%.

The cost of revenue of our medical services consists primarily of employee benefits expenses, cost of inventories and consumables, consultation fees, outsourced examination and inspection fees and utilities, maintenance fees and office expenses. The cost of revenue of our medical services for the six months ended June 30, 2021 reached RMB208.5 million, representing a YoY increase of 25.1%. This increase was primarily a result of (i) the increased business, this year's cancellation of government relief on social security contribution in response to the COVID-19 pandemic and increased personnel wages caused by the cancellation of last year's optimization of human resources costs such as personnel structure and employee's working hours arrangement, and (ii) increased costs of medicines, consumables and specialists due to increase in business volume.

# Management Discussion and Analysis (Continued)

## Hospital Consulting Services

We also generate a portion of our revenue from providing hospital consulting services. The following table sets forth the revenue, cost of revenue, gross profit and gross profit margin of our hospital consulting services for the periods indicated:

	Six months ended June 30,	
	2021	2020
	<i>(in thousands of RMB, except percentages)</i>	
Revenue	493	4,176
Cost of revenue	441	2,115
Gross profit	52	2,061
Gross profit margin	10.5%	49.4%

The revenue and the gross profit margin of our hospital consulting services amounted to RMB0.5 million and 10.5%, respectively. The main reason for the decrease in revenue is that the consulting revenue of Beijing Jiahua Yihe Management and Consulting Co., Ltd. from Beijing Jiahua Likang Health Investment Co., Ltd. declined during this period compared to the same period last year, as Beijing Jiahua Likang Health Investment Co., Ltd.'s demand for consulting services reduced due to its improved management capability with the previous efforts from Beijing Jiahua Yihe Management and Consulting Co., Ltd.

## Gross Profit and Gross Profit Margin

Our gross profit for the six months ended June 30, 2021 amounted to RMB75.2 million, representing a YoY increase of 77.8%. This was primarily because of the recovery of business after the COVID-19 pandemic in the first half of 2021. Our gross profit margin increased from 19.5% in the six months ended June 30, 2020 to 26.3% in the six months ended June 30, 2021.

## Selling Expenses

Our selling expenses for the six months ended June 30, 2021 amounted to RMB27.7 million, representing a YoY increase of 38.5%, which was primarily due to the increased sales expenses resulting from the continuous strengthening and expansion of the marketing team for the online businesses as well as the expanded network in the second half of last year lasted to the first half of this year.



# Management Discussion and Analysis (Continued)

## Administrative Expenses

Our administrative expenses for the six months ended June 30, 2021 amounted to RMB69.4 million, representing an increase of 21.5% from RMB57.1 million for the six months ended June 30, 2020. Such increase was mainly a result of this year's cancellation of government relief on social security contribution in response to the COVID-19 pandemic and increased personnel wages caused by the cancellation of last year's optimization of human resources costs such as personnel structure and employee's working hours arrangement.

## Research and Development Expenses

The Company incurred research and development expenses of RMB5.9 million for the six months ended June 30, 2021, as compared to RMB5.4 million for the same period last year. These expenses related to the development of new online platform technologies as part of the Company's continuous investment in online medical services technologies and facilities.

## Impairment Losses on Non-current Assets

During the reporting period, the Company recorded an impairment loss on property, plant and equipment amounting to RMB6.4 million, including the impairment loss of BNC Qingnian Road Clinic amounting to RMB5.4 million and the impairment loss of RMB1.0 million of New Century Healthcare (Hong Kong) Co. Limited. The impairment losses were primarily related to assets impairment due to our decision to spin off certain clinics, including BNC Qingnian Road Clinic and New Century Healthcare (Hong Kong) Co. Limited.

## Finance Income and Expenses

Our finance income for the six months ended June 30, 2021 decreased from RMB3.9 million for the six months ended June 30, 2020 to RMB1.8 million which was mainly a result of a decrease of foreign exchange gains of RMB1.9 million and a decrease of interest income of RMB0.2 million. Our finance costs for the six months ended June 30, 2021 amounted to RMB8.7 million, consisting of interest expenses of RMB7.6 million related to lease payment and foreign exchange losses of RMB1.1 million.

## Income Tax Expense

Our income tax expense for the six months ended June 30, 2021 amounted to RMB11.3 million, representing a YoY decrease of 64.4%, which was mainly due to the fact that there was no reverse of deferred tax assets related to accumulated tax losses this year.

Due to loss making results for the six months ended June 30, 2021 and 2020, the effective tax rate was not applicable.

## Management Discussion and Analysis (Continued)

### Loss for the six months ended June 30, 2021

Our loss for the six months ended June 30, 2021 amounted to RMB49.1 million, as compared to a loss of RMB319.3 million for the six months ended June 30, 2020.

To supplement the Company's consolidated financial statements which are presented in accordance with HKFRSs, the Company also uses non-HKFRS measures, being adjusted net loss and adjusted EBITDA, as additional financial measures, which are not required by, or prepared in accordance with, HKFRSs. The Company believes that such non-HKFRS measures facilitate comparison of operating performance from period to period of the Company by eliminating potential impacts such as the impairment losses on non-current assets, exchange gains and losses and impact of the RSA Scheme, which are not indicative of the Company's operating performance. The Directors also believe that such measures provide useful information to shareholders and the investing public in understanding and evaluating the Company's consolidated results of operations in the same manner as they help the management.

The following tables set forth the Company's net loss, which is adjusted by the impact of the impairment losses on non-current assets, exchange gains and losses, impact of the RSA Scheme and income tax impact of above adjustment items, for the period indicated:

	Six months ended June 30,	
	2021	2020
	<i>(in thousands of RMB)</i>	
Loss for the period	(49,141)	(319,270)
<i>Add back: Impact of the RSA Scheme</i>	–	1,529
<i>Add back: Impairment losses on non-current assets</i>	6,383	251,461
<i>Add back/less: Exchange gains and losses</i>	1,088	(1,892)
<i>Less: Income tax impact of above adjustment items</i>	–	(469)
<b>Non-HKFRS Measures</b>		
Adjusted loss for the period	<u>(41,670)</u>	<u>(68,641)</u>



# Management Discussion and Analysis (Continued)

## FINANCIAL POSITION

### Inventories

Our inventories decreased by 11.7% from RMB19.6 million as of December 31, 2020 to RMB17.3 million as of June 30, 2021, primarily due to more inventories being reserved at year-end peak of medical service demand.

### Trade Receivables

Our trade receivables increased by 18.2% from RMB28.6 million as of December 31, 2020 to RMB33.8 million as of June 30, 2021, primarily driven by an increase in the receivables from insurance companies as a result of the increase of medical revenue.

### Trade Payables

Our trade payables increased by 9.8% from RMB25.6 million as of December 31, 2020 to RMB28.1 million as of June 30, 2021, primarily due to the increase of purchasing quantity of consumables and drugs resulting from expanded business.

## LIQUIDITY AND CAPITAL RESOURCES

### Cash and Cash Equivalents

As of June 30, 2021, we had cash and cash equivalents of RMB261.6 million (December 31, 2020: RMB299.2 million). We did not have any interest-bearing borrowings as of June 30, 2021 (December 31, 2020: nil).

### Significant Investments, Acquisitions and Disposals

We did not have any significant investment, material acquisitions or material disposals during the six months ended June 30, 2021.

### Capital Expenditures

Our capital expenditures primarily include expenditures on (i) property, plant and equipment which are leasehold improvements, medical equipment, furniture and office equipment, motor vehicles and construction in progress; and (ii) intangible assets such as computer software relating to our operations. The amount of our capital expenditures in the six months ended June 30, 2021 was RMB7.2 million, which was mainly a result of upgrading the pre-existing medical institutions.

# Management Discussion and Analysis (Continued)

## INDEBTEDNESS

### Borrowings

As of June 30, 2021, we did not have any borrowings (December 31, 2020: nil).

### Exposure to Fluctuations in Exchange Rates

We mainly operate in the PRC with most of the transactions settled in RMB. Foreign exchange rate risk arises when recognized assets and liabilities are denominated in a currency that is not the entity's functional currency. As of June 30, 2021, our assets and liabilities are primarily denominated in RMB, except for certain cash and cash equivalent denominated in USD or HKD and dividend payable denominated in HKD. We have not used any derivative financial instrument to hedge against our exposure to foreign exchange risk but will closely monitor such risk on an ongoing basis.

### Contingent Liabilities

As of June 30, 2021, we did not have any contingent liabilities or guarantees that would have a material impact on our financial position or results of operations.

### Pledge of Assets

As of June 30, 2021, none of our assets had been pledged.

### Contractual Obligations

As of June 30, 2021, we did not have any contractual obligations that would have a material effect on our financial position or results of operations.

### Financial Instruments

Our major financial instruments include financial assets carried at fair value through profit or loss, trade receivables, other receivables excluding prepayments, amounts due from related parties, cash and cash equivalents, trade payables, other payables excluding non-financial liabilities and amounts due to related parties. Our management manages such exposure to ensure appropriate measures are implemented on a timely and effective manner.

### Gearing Ratio

As of June 30, 2021, we did not have any borrowings, and therefore the gearing ratio, which is calculated as total borrowings divided by total equity, is not applicable (December 31, 2020: not applicable).



# Management Discussion and Analysis (Continued)

## EMPLOYEE AND REMUNERATION POLICY

As of June 30, 2021, the Group had 1,368 employees (June 30, 2020: 1,350 employees). Total staff remuneration expenses including Directors' remuneration for the six months ended June 30, 2021 amounted to RMB160.9 million (for the six months ended June 30, 2020: RMB125.9 million). Remuneration is determined with reference to performance, skills, qualifications and experience of the staff concerned and in accordance with the prevailing industry practice. On top of salary payments, other staff benefits include social insurance and housing provident contributions made by the Group, performance-based compensation and discretionary bonus. The Group also adopted the RSA Scheme and the Employee Share Scheme to attract, retain and monitor our key employees.

The remuneration of the Directors is reviewed by the Remuneration Committee and approved by the Board. The relevant Director's experience, duties and responsibilities, time commitment, performance at the Company and the prevailing market conditions are taken into consideration in determining the emolument of the Directors.

## INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2021.

## EVENTS AFTER THE REPORTING PERIOD

There is no significant event of the Group after the reporting period.



## Other Information

### DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As of June 30, 2021, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept pursuant to Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

#### (a) Interests/short positions in the Shares

Name of Director or Chief Executive	Capacity and nature of interest	Number of Shares <sup>(1)</sup>	Approximate percentage of interest in the Company
Mr. Jason ZHOU <sup>(2)</sup>	Interests in a controlled corporation; interest held jointly with another person	217,556,394	44.40%
Ms. XIN Hong <sup>(3)</sup>	Beneficial owner	180,000	0.04%
Mr. XU Han <sup>(4)</sup>	Beneficial owner	180,000	0.04%

#### Notes:

- All interests stated are long positions.
- The entire issued share capital of each of JoeCare and Century Star is directly held by Mr. Jason ZHOU. Accordingly, Mr. Jason ZHOU is deemed to be interested in the 150,817,051 Shares held by JoeCare and the 8,999,162 Shares held by Century Star. Pursuant to the Voting Agreement, Ms. LIANG Yanqing irrevocably agreed to follow Mr. Jason ZHOU's voting directions when exercising the voting rights attached to the Shares beneficially owned by her during the term of such agreement. Hence, Mr. Jason ZHOU is deemed to be interested in all the Shares held by Ms. LIANG Yanqing in aggregate by virtue of the SFO.
- 450,000 restricted Shares were granted to Ms. XIN Hong under the RSA Scheme, 180,000 of which have vested in her subject to certain conditions and 270,000 of which have lapsed. Hence, Ms. XIN Hong is interested in 180,000 restricted Shares vested in her under the RSA Scheme.
- 450,000 restricted Shares were granted to Mr. XU Han under the RSA Scheme, 180,000 of which have vested in him subject to certain conditions and 270,000 of which have lapsed. Hence, Mr. XU Han is interested in 180,000 restricted Shares vested in him under the RSA Scheme.

## Other Information (Continued)

Save as disclosed above, as of June 30, 2021, so far as is known to the Directors or chief executive of the Company, none of the Directors or chief executive of the Company had any interest or short positions in the Shares, underlying Shares or debentures of the Company or any associated corporation which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of June 30, 2021, so far as was known to any Director or chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had interests and/or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholders	Capacity and nature of interest	Number of Shares	Approximate percentage of interest in the Company
JoeCare <sup>(1)</sup>	Beneficial owner	150,817,051	30.78%
Victor Gains Limited <sup>(2)</sup>	Beneficial owner	57,740,181	11.8%
Ms. LIANG Yanqing <sup>(2)</sup>	Interests in a controlled corporation	57,740,181	11.8%
CDH Equity Investment Management (Tianjin) Co., Ltd. (鼎暉股權投資管理(天津)有限公司) <sup>(3)</sup>	Interests in a controlled corporation	31,728,156	6.5%
Tianjin Taiding Investment Company Limited (天津泰鼎投資有限公司) <sup>(3)</sup>	Interests in a controlled corporation	31,728,156	6.5%
Tianjin Haoyong Investment Management Co., Ltd. (天津浩永投資管理有限公司) <sup>(3)</sup>	Interests in a controlled corporation	31,728,156	6.5%
Tianjin Weiyuan Investment Management Co., Ltd. (天津維遠投資管理有限公司) <sup>(3)</sup>	Interests in a controlled corporation	31,728,156	6.5%
Mr. WU Shangzhi <sup>(3)</sup>	Interests in a controlled corporation	31,728,156	6.5%
Mr. JIAO Shuge <sup>(3)</sup>	Interests in a controlled corporation	31,728,156	6.5%
Anyi Hekang (Tianjin) Investment Partnership L.P. (安怡和康(天津)投資合夥企業(有限合夥)) <sup>(4)</sup>	Beneficial owner	31,562,713	6.4%
Boyu Guangqu (Shanghai) Investment Management Co., Ltd. (博裕廣渠(上海)投資管理有限公司) <sup>(4)</sup>	Interests in a controlled corporation	31,562,713	6.4%

## Other Information (Continued)

Name of Shareholders	Capacity and nature of interest	Number of Shares	Approximate percentage of interest in the Company
Boyu (Shanghai) Equity Investment Management Co., Ltd. (博裕(上海)股權投資管理有限責任公司) <sup>(4)</sup>	Interests in a controlled corporation	31,562,713	6.4%
XIA Meiyong <sup>(4)</sup>	Interests in a controlled corporation	31,562,713	6.4%
HUANG Ailian <sup>(4)</sup>	Interests in a controlled corporation	31,562,713	6.4%
China Life Reinsurance Company Ltd. <sup>(5)</sup>	Beneficial owner	31,609,000	6.5%
China Reinsurance (Group) Corporation <sup>(5)</sup>	Interests in a controlled corporation	31,609,000	6.5%
Central Huijin Investment Ltd. <sup>(5)</sup>	Interests in a controlled corporation	31,609,000	6.5%

### Notes:

- The entire issued share capital of JoeCare is directly held by Mr. Jason ZHOU. Accordingly, such 150,817,051 Shares held by JoeCare have been included and reflected in the number of shares interested by Mr. Jason ZHOU above.
- The entire issued share capital of Victor Gains Limited is directly held by Ms. LIANG Yanqing. Accordingly, Ms. LIANG Yanqing is deemed to be interested in the 57,740,181 Shares held by Victor Gains Limited. Pursuant to the Voting Agreement, Ms. LIANG Yanqing irrevocably agreed to follow Mr. Jason ZHOU's voting directions when exercising the voting rights attached to the Shares beneficially owned by her during the term of such agreement.
- Shanghai Fuyi Investment Partnership L.P. (Limited Partnership) is a limited liability partnership organized and existing under the laws of the PRC. The general partner of Shanghai Fuyi Investment Partnership L.P. (Limited Partnership) is CDH Huatai Investment Management (Beijing) Co., Ltd. (鼎暉華泰投資管理(北京)有限公司), which is owned directly as to 57.2% by CDH Equity Investment Management (Tianjin) Co., Ltd. (鼎暉股權投資管理(天津)有限公司). Shanghai Fuji Investment Partnership L.P. (Limited Partnership) is a limited liability partnership organized and existing under the laws of the PRC. The general partner of Shanghai Fuji Investment Partnership L.P. (Limited Partnership) is CDH Equity Investment Management (Tianjin) Co., Ltd. (鼎暉股權投資管理(天津)有限公司), which is owned directly as to 85.4% by Tianjin Taiding Investment Company Limited (天津泰鼎投資有限公司). Tianjin Taiding Investment Company Limited is owned directly as to 55.0% by Tianjin Haoyong Investment Management Co., Ltd. (天津浩永投資管理有限公司) (whose entire issued share capital is held by Mr. WU Shangzhi) and as to 45.0% by Tianjin Weiyuan Investment Management Co., Ltd. (天津維遠投資管理有限公司) (whose entire issued share capital is held by Mr. JIAO Shuge). Accordingly, each of CDH Equity Investment Management (Tianjin) Co., Ltd., Tianjin Taiding Investment Company Limited, Tianjin Haoyong Investment Management Co., Ltd., Tianjin Weiyuan Investment Management Co., Ltd., Mr. WU Shangzhi and Mr. JIAO Shuge is deemed to be interested in such number of Shares held by Shanghai Fuyi Investment Partnership L.P. (Limited Partnership) and Shanghai Fuji Investment Partnership L.P. (Limited Partnership).
- Anyi Hekang (Tianjin) Investment Partnership L.P. (安怡和康(天津)投資合夥企業(有限合夥)) is a limited liability partnership organized and existing under the laws of the PRC. The general partner of Anyi Hekang (Tianjin) Investment Partnership L.P. is Boyu Guangqu (Shanghai) Investment Management Co., Ltd. (博裕廣渠(上海)投資管理有限公司) whose sole shareholder is Boyu (Shanghai) Equity Investment Management Co., Ltd. (博裕(上海)股權投資管理有限責任公司) which is owned as to 50% by Xia Meiyong and 50% by Huang Ailian. Accordingly, each of Boyu Guangqu (Shanghai) Investment Management Co., Ltd. (博裕廣渠(上海)投資管理有限公司), Boyu (Shanghai) Equity Investment Management Co., Ltd. (博裕(上海)股權投資管理有限責任公司), XIA Meiyong and HUANG Ailian is deemed to be interested in such number of Shares held by Anyi Hekang (Tianjin) Investment Partnership L.P..

## Other Information (Continued)

5. China Life Reinsurance Company Ltd. is a company incorporated in the PRC with limited liability, whose sole shareholder is China Reinsurance (Group) Corporation, which is owned as to 71.6% by Central Huijin Investment Ltd.. China Reinsurance (Group) Corporation and Central Huijin Investment Ltd. are deemed to be interested in such number of Shares held by China Life Reinsurance Company Ltd..

Save as disclosed above, as of June 30, 2021, the Company had not been notified by any person (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which shall be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept pursuant to Section 336 of the SFO.

### RSA SCHEME AND EMPLOYEE SHARE SCHEME

#### (a) RSA Scheme

The RSA Scheme was adopted pursuant to the written resolutions of the Shareholders passed on August 29, 2016 (the “**RSA Scheme Adoption Date**”). The purpose of the RSA Scheme is to give incentives thereto in order to retain key employees for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. The RSA Scheme shall be valid and effective for a period of ten years commencing on the RSA Scheme Adoption Date, under the administration of the administration committee and the trustee.

As of January 1, 2021, all restricted Shares previously granted under the RSA Scheme had either vested or lapsed and there were no restricted Shares outstanding. No restricted Shares were granted under the RSA Scheme during the six months ended June 30, 2021.

## Other Information (Continued)

### (b) Employee Share Scheme

On August 28, 2020, the Board adopted the Employee Share Scheme in order to recognize the contributions by the selected participants, to provide them with incentives to achieve performance goals, and to attract suitable personnel for further development of the Group. The Employee Share Scheme shall be valid and effective for a period of ten years commencing on its adoption date, under the administration of the administration committee and the trustee.

No Shares shall be purchased pursuant to the Employee Share Scheme if as a result of such purchase, the number of Shares administered under the Employee Share Scheme reaches 5% or more of the issued share capital of the Company at the date of the Board's approval of the Employee Share Scheme, or such other limit as determined by the administration committee in its sole and absolute discretion provided always that it is in compliance with the Listing Rules. The maximum number of award shares which may be granted to a selected participant at any one time or in aggregate may not exceed 1% of the issued share capital of the Company at the same date.

In determining the selected participants, the number of award shares to be granted, the vesting conditions, the exercise price (if any) to be paid by the selected participants for each award share, the manner of payment of the exercise price and the other terms and conditions of the grants of award shares, the administration committee shall take into consideration any matter which it considers relevant. Any award share granted to a selected participant pursuant to the rules governing the Employee Share Scheme (the "**Employee Share Scheme Rules**") shall vest in such selected participant in accordance with the vesting conditions as set out in the grant letter.

As of June 30, 2021, for the purpose of the Employee Share Scheme, 1,924,000 shares have been purchased from the market by the trustee appointed by the Company for the administration of the Employee Share Scheme to hold on trust for the benefit of the selected participants pursuant to the Employee Share Scheme Rules and the provisions of the trust deed in relation to the Employee Share Scheme.

As at the date of this interim report, no Shares were granted under the Employee Share Scheme. For further details of the Employee Share Scheme, please refer to the Company's announcement dated 31 August 2020.

### DIRECTOR'S RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Save as disclosed in the section headed "RSA Scheme and Employee Share Scheme" above, at no time during the six months ended June 30, 2021 were there rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Directors or their respective spouse or minor children, or were any such rights exercised by the Directors; or was the Company, or any of its holding companies, fellow subsidiaries and subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

## Other Information (Continued)

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

As of June 30, 2021, for the purpose of the Employee Share Scheme, 1,924,000 shares have been purchased from the market by the trustee appointed by the Company for the administration of the Employee Share Scheme to hold on trust for the benefit of the selected participants pursuant to the rules governing the Employee Share Scheme and the provisions of the trust deed in relation to the Employee Share Scheme.

Save as disclosed in this interim report, during the six months ended June 30, 2021, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

### USE OF PROCEEDS FROM THE IPO

The net proceeds received by the Company from the global offering amounted to HK\$857.2 million after deducting underwriting commissions and all related expenses, which have been and will be used in the manner consistent with that mentioned in the section headed "Future Plans and Use of Proceeds" of the prospectus of the Company dated December 30, 2016 and the announcements of the Company dated December 6, 2017 and March 25, 2019 regarding the change in use of proceeds.

The use of net proceeds and expected timeline of the intended use of the unutilized proceeds, subject to the then management assessment and market landscape, is set out as below:

Item	Net proceeds as of March 31, 2021 (HKD million)	Utilized between March 31, 2021 and August 30, 2021 (HKD million)	Unutilized as of August 30, 2021 (HKD million)	Expected timeline of the intended use of the unutilized proceeds, subject to the then management assessment and market landscape
Setting up, renovation and acquisition of new hospitals and clinics and the required working capital for such new hospitals and clinics	186.0	40.8	145.2	The remaining amount is expected to be fully utilized by the end of 2023.
Investment in surgery center and medical service technologies (including online diagnosis)	49.7	21.9	27.8	The remaining amount is expected to be fully utilized by the end of 2023.
Total	<u>235.7</u>	<u>62.7</u>	<u>173.0</u>	

## Other Information (Continued)

### CORPORATE GOVERNANCE PRACTICE

The Board is committed to maintaining high corporate governance standards. The Board believes that good corporate governance standards are essential in providing a framework for the Group to formulate its business strategies and policies, and to enhance its transparency and accountability.

During the six months ended June 30, 2021, the Company has applied the principles as set out in the CG Code contained in Appendix 14 to the Listing Rules which are applicable to the Company.

In the opinion of the Directors, the Company has complied with all applicable code provisions as set out in the CG Code during the six months ended June 30, 2021, save and except for code provision A.2.1 which states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Jason ZHOU is both our chairman and chief executive officer, and is responsible for the overall management of our Group and directing the strategic development and business plans of our Group. We believe that he is instrumental to our growth and business expansion since our establishment in 2002. The Board considers that the roles of chairman and chief executive officer being vested in the same person is beneficial to the business prospects, management and overall strategic direction of our Group by ensuring consistent leadership within our Group and facilitating more effective and efficient overall strategic planning and decision-making for our Group. After considering all the corporate governance measures that have been taken, the Board considers that the balance of power and authority will not be impaired by the present arrangement and the current structure will enable the Company to make and implement decisions more promptly and effectively. Thus, the Company does not segregate the roles of chairman and chief executive officer. The Board will continue to review the situation and consider splitting the roles of chairman and chief executive officer of the Company in due course after taking into account of the then overall circumstances of the Group.

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. The Company has also set guidelines, at least as strict as the Model Code, on transactions of the Company's securities for relevant employees (as defined in the Listing Rules).

The Company has made specific inquiries to all Directors about their compliance with the Model Code, and they all confirmed that they complied with the standards specified in the Model Code during the six months ended June 30, 2021. The Company has made specific inquiries of relevant employees about their compliance with the guidelines on transactions of the Company's securities, without noticing any violation of the guidelines.

### DISCLOSURE OF CHANGES IN DIRECTORS' INFORMATION

There is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules regarding changes in Directors' biographical details from the publication of the Company's 2020 annual report up to the Latest Practicable Date.



## Other Information (Continued)

### REVIEW OF INTERIM RESULTS

The Audit Committee comprises two independent non-executive Directors, namely, Mr. SUN Hongbin and Mr. JIANG Yanfu, and a non-executive Director, Mr. GUO Qizhi. The chairman of the Audit Committee is Mr. SUN Hongbin.

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended June 30, 2021 and this interim report, and was of the opinion that the interim results and the interim report had been prepared in accordance with the relevant accounting standards and that adequate disclosures have been made in accordance with the requirements of the Listing Rules.

### APPENDIX 16 TO THE LISTING RULES

According to paragraph 40 of Appendix 16 to the Listing Rules headed “Disclosure of Financial Information”, save as disclosed herein, the Company confirms that the Company’s current information in relation to those matters set out in paragraph 32 of Appendix 16 has not been changed significantly from the information disclosed in the Company’s 2020 annual report.

By order of the Board

**Jason ZHOU**

*Chairman, Executive Director and Chief Executive Officer*

Hong Kong, August 30, 2021



# Report on Review of Interim Financial Information

To The Board Of Directors Of New Century Healthcare Holding Co. Limited  
(incorporated in the Cayman Islands with limited liability)

## INTRODUCTION

We have reviewed the interim financial information set out on pages 25 to 51, which comprises the interim condensed consolidated balance sheet of New Century Healthcare Holding Co. Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2021 and the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 30 August 2021



## Interim Condensed Consolidated Balance Sheet

		30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
	<i>Notes</i>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	180,202	198,898
Right-of-use assets	7	264,617	308,785
Intangible assets	8	418,086	424,330
Investments accounted for using the equity method		1,990	2,575
Deferred tax assets		761	499
Long-term deposits and prepayments		9,930	10,709
Amounts due from a related party	10	3,939	–
<b>Total non-current assets</b>		<b>879,525</b>	<b>945,796</b>
<b>Current assets</b>			
Inventories		17,334	19,584
Trade receivables	9	33,808	28,577
Other receivables, deposits and prepayments		18,866	16,874
Amounts due from related parties	10	155,769	161,003
Cash and cash equivalents		261,561	299,211
<b>Total current assets</b>		<b>487,338</b>	<b>525,249</b>
<b>Total assets</b>		<b>1,366,863</b>	<b>1,471,045</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		335	335
Shares held for employee share scheme		(2,829)	(2,826)
Share premium		2,606,495	2,606,495
Reserves		(1,499,909)	(1,499,996)
Accumulated losses		(319,832)	(265,375)
<b>Sub-total</b>		<b>784,260</b>	<b>838,633</b>
Non-controlling interests		(56,114)	(26,781)
<b>Total equity</b>		<b>728,146</b>	<b>811,852</b>

## Interim Condensed Consolidated Balance Sheet (Continued)

	<i>Notes</i>	30 June 2021 <i>RMB'000</i> (Unaudited)	31 December 2020 <i>RMB'000</i> (Audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities	7	289,663	321,256
Deferred tax liabilities		53,849	55,790
Deferred income		168	2,641
<b>Total non-current liabilities</b>		<b>343,680</b>	<b>379,687</b>
<b>Current liabilities</b>			
Trade payables	11	28,103	25,618
Accruals, other payables and provisions		176,379	171,183
Lease liabilities	7	34,549	39,839
Contract liabilities		29,579	30,539
Current tax liabilities		6,855	8,113
Amounts due to related parties	10	19,572	4,214
<b>Total current liabilities</b>		<b>295,037</b>	<b>279,506</b>
<b>Total liabilities</b>		<b>638,717</b>	<b>659,193</b>
<b>Total equity and liabilities</b>		<b>1,366,863</b>	<b>1,471,045</b>

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

The financial information on pages 25 to 51 were approved by the board of directors of the Company on 30 August 2021 and was signed on its behalf

\_\_\_\_\_  
Jason ZHOU

\_\_\_\_\_  
XU Han

# Interim Condensed Consolidated Statement of Comprehensive Income

	Notes	Six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Revenue	5	285,844	216,691
Cost of revenue	5	(210,595)	(174,360)
<b>Gross profit</b>		<b>75,249</b>	<b>42,331</b>
Selling expenses		(27,661)	(20,018)
Administrative expenses		(69,366)	(57,146)
Research and development expenses		(5,947)	(5,399)
Net impairment losses on financial assets		(1,035)	–
Impairment losses on non-current assets		(6,383)	(251,461)
Other income		2,844	1,005
Other gains – net		1,890	7,055
<b>Operating loss</b>		<b>(30,409)</b>	<b>(283,633)</b>
Finance income		1,825	3,929
Finance costs		(8,716)	(7,841)
Share of net loss of investments accounted for using the equity method		(557)	–
<b>Loss before income tax</b>		<b>(37,857)</b>	<b>(287,545)</b>
Income tax expense	12	(11,284)	(31,725)
<b>Loss for the period</b>		<b>(49,141)</b>	<b>(319,270)</b>
<b>(Loss)/profit for the period attributable to:</b>			
Owners of the Company		(54,457)	(308,036)
Non-controlling interests		5,316	(11,234)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
– Exchange differences on translation of foreign operations		87	–
<b>Total comprehensive loss for the period</b>		<b>(49,054)</b>	<b>(319,270)</b>

## Interim Condensed Consolidated Statement of Comprehensive Income (Continued)

		Six months ended 30 June	
		2021	2020
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
<i>Notes</i>			
Total comprehensive (loss)/income for the period attributable to:			
Owners of the Company		(54,370)	(308,036)
Non-controlling interests		<u>5,316</u>	<u>(11,234)</u>
Losses per share for loss attributable to the ordinary equity holders of the Company (expressed in RMB per share)			
Basic and diluted	13	<u>(0.11)</u>	<u>(0.63)</u>

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

# Interim Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company							Total equity RMB'000
	Share capital RMB'000	Share held for employee share scheme RMB'000	Share premium RMB'000	Reserves RMB'000	(Accumulated losses)/retained earnings RMB'000	Total RMB'000	Non- controlling interests RMB'000	
Notes								
(Unaudited)								
Balance at 1 January 2021	335	(2,826)	2,606,495	(1,499,996)	(265,375)	838,633	(26,781)	811,852
Total comprehensive (loss)/income								
– Loss for the period	–	–	–	–	(54,457)	(54,457)	5,316	(49,141)
– Currency translation differences	–	–	–	87	–	87	–	87
	–	–	–	87	(54,457)	(54,370)	5,316	(49,054)
Transactions with owners								
– Dividends	14	–	–	–	–	–	(34,649)	(34,649)
– Shares purchased for employee share scheme		–	(3)	–	–	(3)	–	(3)
Total transactions with owners		–	(3)	–	–	(3)	(34,649)	(34,652)
Balance at 30 June 2021	335	(2,829)	2,606,495	(1,499,909)	(319,832)	784,260	(56,114)	728,146
(Unaudited)								
Balance at 1 January 2020	335	–	2,606,262	(1,507,673)	111,881	1,210,805	22,723	1,233,528
Comprehensive loss								
– Loss for the period	–	–	–	–	(308,036)	(308,036)	(11,234)	(319,270)
Transactions with owners								
– Dividends	14	–	–	–	–	–	(43,353)	(43,353)
– Appropriation to statutory reserves		–	–	7,145	(7,145)	–	–	–
– Shares exercised under share award scheme		–	–	233	(168)	65	–	65
– Share-based payments		–	–	1,529	–	1,529	–	1,529
Total transactions with owners		–	–	233	8,506	(7,145)	(43,353)	(41,759)
Balance at 30 June 2020	335	–	2,606,495	(1,499,167)	(203,300)	904,363	(31,864)	872,499

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# Interim Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
	<i>Notes</i>	
<b>Cash flows from operating activities</b>		
Cash generated from operations	26,624	5,536
Interest paid	(4,965)	(4,940)
Interest received	1,274	1,393
Income taxes paid	(14,745)	(10,066)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>8,188</b>	<b>(8,077)</b>
<b>Cash flows from investing activities</b>		
Cash acquired from acquisition of a subsidiary	–	3,342
Payments for property, plant and equipment	(5,572)	(2,736)
Payments for intangible assets	(1,587)	(395)
Proceeds from disposals of property, plant and equipment	231	–
Purchase of structured deposits and financial assets	–	(231,100)
Proceeds from redemption of structured deposits and financial assets	–	252,222
Interest received on structured deposits and financial assets	–	776
Loan to a related party	(2,850)	(1,500)
<b>Net cash (outflow)/inflow from investing activities</b>	<b>(9,778)</b>	<b>20,609</b>
<b>Cash flows from financing activities</b>		
Dividends paid to non-controlling interests	(21,389)	(43,353)
Shares repurchased for employee share scheme	(3)	–
Principal elements of lease payments	(13,889)	(12,224)
Proceeds from shares exercised under share award scheme	–	65
<b>Net cash outflow from financing activities</b>	<b>(35,281)</b>	<b>(55,512)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(36,871)</b>	<b>(42,980)</b>
Cash and cash equivalents at the beginning of the period	299,211	349,125
Effects of exchange rate changes on cash and cash equivalents	(779)	1,992
<b>Cash and cash equivalents at the end of the period</b>	<b>261,561</b>	<b>308,137</b>

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.



# Notes to the Interim Condensed Consolidated Financial Information

## 1 GENERAL INFORMATION

New Century Healthcare Holding Co. Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in provision of pediatrics, obstetrics and gynecology specialty services in the People’s Republic of China (the “PRC”). The Group also provides hospital consulting services to related parties of the Group and online healthcare services.

The Company is a limited liability company incorporated in the Cayman Islands on 31 July 2015. The address of its registered office is c/o Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.

The ordinary shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (“the Listing”) on 18 January 2017.

The interim condensed consolidated financial information is presented in Renminbi (“RMB”) and rounded to nearest thousand yuan, unless otherwise stated.

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

This interim condensed consolidated financial information for the six months ended 30 June 2021 has been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”), ‘Interim financial reporting’.

The interim condensed consolidated financial information does not include all the notes of the type normally included in an annual financial report. Accordingly, this interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2020, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), and any public announcements made by the Company during the six months ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards.



# Notes to the Interim Condensed Consolidated Financial Information (Continued)

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

### (a) New and amended standards adopted by the Group

A number of new or amended standards became applicable during current reporting period. The Group did not change its accounting policies or make retrospective adjustments as a result of adopting these standards.

### (b) Impact of standards issued but not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

## 3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and fair value interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2020.

There have been no changes in the risk management policies since year end.

# Notes to the Interim Condensed Consolidated Financial Information (Continued)

## 3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

### 3.2 Liquidity risk

The Group aims to maintain sufficient cash to meet operating capital requirements. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
<b>(Unaudited)</b>					
<b>At 30 June 2021</b>					
Trade payables	28,103	–	–	–	28,103
Accruals and other payables (excluding non-financial liabilities)	143,641	–	–	–	143,641
Amounts due to related parties	19,572	–	–	–	19,572
Lease liabilities	44,942	44,926	112,513	171,952	374,333
	<u>236,258</u>	<u>44,926</u>	<u>112,513</u>	<u>171,952</u>	<u>565,649</u>
<b>(Audited)</b>					
<b>At 31 December 2020</b>					
Trade payables	25,618	–	–	–	25,618
Accruals and other payables (excluding non-financial liabilities)	145,704	–	–	–	145,704
Amounts due to related parties	4,214	–	–	–	4,214
Lease liabilities	51,603	49,747	128,871	177,779	408,000
	<u>227,139</u>	<u>49,747</u>	<u>128,871</u>	<u>177,779</u>	<u>583,536</u>

# Notes to the Interim Condensed Consolidated Financial Information (Continued)

## 3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

### 3.3 Fair value hierarchy

As at 30 June 2021 and 31 December 2020, the Group does not have any financial assets or liabilities measured at fair value.

## 4 ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2020.

## 5 SEGMENT INFORMATION

Mr. Jason ZHOU in his role as the executive director and chairman of the Company, serves as the chief operating decision-maker (the "CODM") of the Group. Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance.

In the view of the CODM, the Group is principally engaged in four distinct segments: (i) pediatric services, (ii) obstetrics and gynecology services, (iii) hospital consulting services and (iv) others, which are subject to different business risks and economic characteristics.

The Group's segment information is shown as follows:

# Notes to the Interim Condensed Consolidated Financial Information (Continued)

## 5 SEGMENT INFORMATION (CONTINUED)

### (i) Segment information

	Pediatrics RMB'000	Obstetrics and gynecology RMB'000	Hospital consulting services RMB'000	Others RMB'000	Intersegment eliminations RMB'000	Unallocated RMB'000	Total RMB'000
<b>(Unaudited)</b>							
<b>Six months ended 30 June 2021</b>							
Revenue from external customers	220,992	61,014	493	3,345	–	–	285,844
Inter-segment revenue	–	–	–	5,667	(5,667)	–	–
Total revenue	220,992	61,014	493	9,012	(5,667)	–	285,844
Cost of revenue	(150,315)	(58,187)	(441)	(4,980)	3,328	–	(210,595)
Segment results	23,987	(16,515)	(496)	(12,750)	–	–	(5,774)
Unallocated income						6,850	6,850
Unallocated cost						(38,933)	(38,933)
<b>Profit/(loss) before income tax</b>	<b>23,987</b>	<b>(16,515)</b>	<b>(496)</b>	<b>(12,750)</b>	<b>–</b>	<b>(32,083)</b>	<b>(37,857)</b>
Income tax expense						(11,284)	(11,284)
<b>Loss after income tax</b>							<b>(49,141)</b>

	Pediatrics RMB'000	Obstetrics and gynecology RMB'000	Hospital consulting services RMB'000	Others RMB'000	Intersegment eliminations RMB'000	Unallocated RMB'000	Total RMB'000
<b>(Unaudited)</b>							
<b>Six months ended 30 June 2020</b>							
Revenue from external customers	146,943	62,344	4,176	3,228	–	–	216,691
Inter-segment revenue	–	–	–	–	–	–	–
Total revenue	146,943	62,344	4,176	3,228	–	–	216,691
Cost of revenue	(114,892)	(51,803)	(2,115)	(5,550)	–	–	(174,360)
Segment results	(87,134)	(149,162)	(12,902)	(42,397)	–	–	(291,595)
Unallocated income						7,558	7,558
Unallocated cost						(3,508)	(3,508)
<b>(Loss)/profit before income tax</b>	<b>(87,134)</b>	<b>(149,162)</b>	<b>(12,902)</b>	<b>(42,397)</b>	<b>–</b>	<b>4,050</b>	<b>(287,545)</b>
Income tax expense						(31,725)	(31,725)
<b>Loss after income tax</b>							<b>(319,270)</b>

# Notes to the Interim Condensed Consolidated Financial Information (Continued)

## 5 SEGMENT INFORMATION (CONTINUED)

### (ii) Disaggregation of revenue from contracts with customers

	Pediatrics <i>RMB'000</i>	Obstetrics and gynecology <i>RMB'000</i>	Hospital consulting services <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
(Unaudited)					
Six months ended 30 June 2021					
Revenue from external customers					
At a point in time	<u>220,992</u>	<u>61,014</u>	<u>493</u>	<u>3,345</u>	<u>285,844</u>
	Pediatrics <i>RMB'000</i>	Obstetrics and gynecology <i>RMB'000</i>	Hospital consulting services <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
(Unaudited)					
Six months ended 30 June 2020					
Revenue from external customers					
At a point in time	146,943	62,344	2,256	3,228	214,771
Over time	–	–	1,920	–	1,920
	<u>146,943</u>	<u>62,344</u>	<u>4,176</u>	<u>3,228</u>	<u>216,691</u>

# Notes to the Interim Condensed Consolidated Financial Information (Continued)

## 6 PROPERTY, PLANT AND EQUIPMENT

	Buildings and leasehold improvements <i>RMB'000</i>	Medical equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Office equipment and furniture <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
<b>At 31 December 2020</b>						
Cost	219,074	107,827	7,399	35,383	1,358	371,041
Accumulated depreciation	(89,510)	(56,519)	(4,092)	(22,022)	–	(172,143)
Net book amount	<u>129,564</u>	<u>51,308</u>	<u>3,307</u>	<u>13,361</u>	<u>1,358</u>	<u>198,898</u>
<b>(Unaudited)</b>						
<b>Six months ended 30 June 2021</b>						
Opening net book amount	129,564	51,308	3,307	13,361	1,358	198,898
Additions	33	1,938	–	1,270	736	3,977
Disposals	–	(327)	–	(122)	–	(449)
Transfer upon completion	2,094	–	–	–	(2,094)	–
Depreciation charges	(8,409)	(5,419)	(318)	(1,695)	–	(15,841)
Impairment charges (Note 7)	(6,383)	–	–	–	–	(6,383)
Closing net book amount	<u>116,899</u>	<u>47,500</u>	<u>2,989</u>	<u>12,814</u>	<u>–</u>	<u>180,202</u>
<b>At 30 June 2021</b>						
Cost	221,201	109,139	7,399	33,784	–	371,523
Accumulated depreciation and impairment	(104,302)	(61,639)	(4,410)	(20,970)	–	(191,321)
Net book amount	<u>116,899</u>	<u>47,500</u>	<u>2,989</u>	<u>12,814</u>	<u>–</u>	<u>180,202</u>

# Notes to the Interim Condensed Consolidated Financial Information (Continued)

## 7 LEASES

This note provides information for leases where the Group is a lessee.

### (a) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

Right-of-use assets	Properties RMB'000	Equipment RMB'000	Total RMB'000
<b>At 31 December 2020</b>			
Cost	360,945	6,524	367,469
Accumulated depreciation	(57,898)	(786)	(58,684)
Net book amount	<u>303,047</u>	<u>5,738</u>	<u>308,785</u>
<b>(Unaudited)</b>			
<b>Six months ended 30 June 2021</b>			
Opening net book amount	303,047	5,738	308,785
Disposals (i)	(22,087)	–	(22,087)
Depreciation charges	(21,653)	(428)	(22,081)
Closing net book amount	<u>259,307</u>	<u>5,310</u>	<u>264,617</u>
<b>At 30 June 2021</b>			
Cost	326,125	6,524	332,649
Accumulated depreciation	(66,818)	(1,214)	(68,032)
Net book amount	<u>259,307</u>	<u>5,310</u>	<u>264,617</u>

- (i) During the six months ended 30 June 2021, the Group resolved to spin off certain clinics by selling to third parties or closure of business. As at 30 June 2021, the Group has reached agreements with landlords of certain clinics to terminate the property lease agreements, which resulted in net gains of RMB2,107,000 for de-recognition of relevant right-of-use assets and lease liabilities. And full impairments for the leasehold improvements of RMB6,383,000 (Note 6) were provided for these clinics.

# Notes to the Interim Condensed Consolidated Financial Information (Continued)

## 7 LEASES (CONTINUED)

### (a) Amounts recognised in the balance sheet (Continued)

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
<b>Lease liabilities</b>		
Current	34,549	39,839
Non-current	289,663	321,256
	<u>324,212</u>	<u>361,095</u>

### (b) Amounts recognised in the consolidated statement of comprehensive income

The statement of profit or loss shows the following amounts relating to leases:

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
<b>Depreciation charges of right-of-use assets</b>		
Properties	21,653	22,849
Equipment	428	156
	<u>22,081</u>	<u>23,005</u>
<b>Interest expense (included in finance costs)</b>	7,629	7,841
Expense relating to short-term leases (included in cost of revenue, selling expenses and administrative expenses)	1,133	986
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	328	253
	<u>9,090</u>	<u>9,080</u>

The total cash outflow for leases for the six months ended 30 June 2021 was RMB20,315,000 (six months ended 30 June 2020: RMB18,403,000).



# Notes to the Interim Condensed Consolidated Financial Information (Continued)

## 7 LEASES (CONTINUED)

### (c) The Group's leasing activities and how these are accounted for

The Group leases various properties and equipment. Rental contracts are typically made for fixed periods of 1 to 20 years, but may have extension options as described in (d) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

### (d) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held need to further negotiate with lessor. However, the Group will assess the impact on business and will prefer to extend if it's favorable.

## Notes to the Interim Condensed Consolidated Financial Information (Continued)

### 8 INTANGIBLE ASSETS

	Medical licenses <i>RMB'000</i>	Goodwill <i>RMB'000</i>	Software <i>RMB'000</i>	Total <i>RMB'000</i>
<b>At 31 December 2020</b>				
Cost	311,969	392,326	30,687	734,982
Accumulated amortisation and impairment	<u>(50,529)</u>	<u>(234,486)</u>	<u>(25,637)</u>	<u>(310,652)</u>
Net book amount	<u>261,440</u>	<u>157,840</u>	<u>5,050</u>	<u>424,330</u>
<b>(Unaudited)</b>				
<b>Six months ended 30 June 2021</b>				
Opening net book amount	261,440	157,840	5,050	424,330
Additions	–	–	1,336	1,336
Amortisation charges	<u>(6,513)</u>	<u>–</u>	<u>(1,067)</u>	<u>(7,580)</u>
Closing net book amount	<u>254,927</u>	<u>157,840</u>	<u>5,319</u>	<u>418,086</u>
<b>At 30 June 2021</b>				
Cost	311,969	392,326	32,023	736,318
Accumulated amortisation and impairment	<u>(57,042)</u>	<u>(234,486)</u>	<u>(26,704)</u>	<u>(318,232)</u>
Net book amount	<u>254,927</u>	<u>157,840</u>	<u>5,319</u>	<u>418,086</u>

# Notes to the Interim Condensed Consolidated Financial Information (Continued)

## 9 TRADE RECEIVABLES

	As at 30 June 2021 <i>RMB'000</i> (Unaudited)	As at 31 December 2020 <i>RMB'000</i> (Audited)
Trade receivables from contracts with customers	34,268	29,033
Less: allowance for impairment of trade receivables	(460)	(456)
	<u>33,808</u>	<u>28,577</u>
Trade receivables – net	<u>33,808</u>	<u>28,577</u>

The carrying amounts of the Group's trade receivables are denominated in RMB and approximate their fair values.

The majority trade receivables were due from commercial insurance companies and social insurance bureau, with credit terms of 30 to 60 days based on their collaboration arrangement with the Group.

The aging analysis of the trade receivables based on demand note date was as follows:

	As at 30 June 2021 <i>RMB'000</i> (Unaudited)	As at 31 December 2020 <i>RMB'000</i> (Audited)
Up to 3 months	27,485	21,383
4 – 6 months	1,744	2,170
7 months – 1 year	1,329	1,192
Over 1 year	3,710	4,288
	<u>34,268</u>	<u>29,033</u>
	<u>34,268</u>	<u>29,033</u>

# Notes to the Interim Condensed Consolidated Financial Information (Continued)

## 10 BALANCES WITH RELATED PARTIES

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
<b>Amounts due from related parties-current</b>		
– Trade		
Beijing Jiahua Likang Health Investment Co., Ltd.	136,606	141,606
Tianjin Heping New Century Women's and Children's Hospital	314	73
Beijing Children's Hospital, Capital Medical University	26	26
Chengdu Women's and Children's Central Hospital	7	7
	<u>136,953</u>	<u>141,712</u>
Less: provision for impairment	(6,815)	(6,090)
	<u>130,138</u>	<u>135,622</u>
– Non-Trade		
Beijing Bairui Kangchen Technology Development Co., Ltd. (Note 16 (b))	22,003	22,541
Shanghai New Century Pujin Pediatric Clinic Outpatient Service Co., Ltd. (Note 16 (b))	1,850	1,850
Chengdu Yunxi Ge Health Management Co., Ltd.	908	443
Foshan Shunde Yihe Clinic Co., Ltd. (Note 16 (b))	439	439
Chengdu Wuhou New Century Joy City Clinic Outpatient Service Co., Ltd.	386	68
Zhuhai Yunzhong Equity Investment Limited Partnership	45	40
	<u>25,631</u>	<u>25,381</u>
	<u>155,769</u>	<u>161,003</u>

# Notes to the Interim Condensed Consolidated Financial Information (Continued)

## 10 BALANCES WITH RELATED PARTIES (CONTINUED)

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
<b>Amounts due from a related party-non current</b>		
– Non-Trade		
Beijing Bairui Kangchen Technology Development Co., Ltd. (Note 16 (b))	3,939	–
<b>Amounts due to related parties</b>		
– Trade		
Beijing Children's Hospital, Capital Medical University	1,697	984
Beijing MuHe JiaYe Property Management Co., Ltd.	1,209	987
Chengdu Women's and Children's Central Hospital	276	33
	<u>3,182</u>	<u>2,004</u>
– Non-Trade		
Beijing Children's Hospital, Capital Medical University	16,022	1,892
Ms. Zhao Juan	190	190
Zhuhai Yunzhong Equity Investment Limited Partnership	110	110
Chengdu Wuhou New Century Joy City Clinic Outpatient Service Co., Ltd.	52	2
Mr. Jia Xiaofeng	14	14
Mr. Xu Han	1	1
Ms. Xin Hong	1	1
	<u>16,390</u>	<u>2,210</u>
	<u>19,572</u>	<u>4,214</u>

# Notes to the Interim Condensed Consolidated Financial Information (Continued)

## 11 TRADE PAYABLES

As at 30 June 2021 and 31 December 2020, the aging analysis of the trade payables based on demand note date was as follows:

	As at 30 June 2021 <i>RMB'000</i> (Unaudited)	As at 31 December 2020 <i>RMB'000</i> (Audited)
Up to 3 months	21,134	17,909
4 – 6 months	3,936	3,941
7 months – 1 year	1,233	1,473
Over 1 year	1,800	2,295
	<u>28,103</u>	<u>25,618</u>

## 12 INCOME TAX EXPENSE

	Six months ended 30 June	
	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Unaudited)
Current income tax:		
– PRC corporate income tax	13,487	7,552
Deferred income tax	(2,203)	24,173
	<u>11,284</u>	<u>31,725</u>

# Notes to the Interim Condensed Consolidated Financial Information (Continued)

## 13 LOSSES PER SHARE

### (a) Basic

Basic losses per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2021.

	Six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)
Loss attributable to owners of the Company (RMB'000)	<u>(54,457)</u>	<u>(308,036)</u>
Weighted average number of ordinary shares in issue (in thousands) (i)	<u>483,334</u>	<u>485,238</u>
Basic losses per share (in RMB)	<u>(0.11)</u>	<u>(0.63)</u>

- (i) On 25 July 2017, the Company granted 9,000,000 restricted shares to certain employees pursuant to a restricted share award scheme. As at 30 June 2021, except for 4,767,000 shares that were forfeited, all the other shares were vested. Those forfeited shares were excluded from the calculation of basic losses per share.

As at 30 June 2021, the Company held 1,924,000 (30 June 2020: nil) shares of the Company to set up an employee stock incentive plan. These shares were not included in the calculation of basic losses per share as they are not outstanding.

### (b) Diluted

For the six months ended 30 June 2021 and 2020, diluted losses per share is equivalent to the basic losses per share due to the Group's negative financial results attributable to owners of the Company.

# Notes to the Interim Condensed Consolidated Financial Information (Continued)

## 14 DIVIDENDS

The board of directors of the Company does not resolve to declare an interim dividend for the six months ended 30 June 2021 (30 June 2020: nil).

For the six months ended 30 June 2021, a dividend of RMB21,389,000 was paid to Beijing Children's Hospital, Capital Medical University ("BCH"), a non-controlling shareholder of Beijing New Century Children's Hospital Co., Ltd. ("BNC Children's Hospital"), a subsidiary of the Group. Pursuant to a shareholders' resolution of BNC Children's Hospital dated 3 June 2021, a dividend payable to BCH of RMB13,260,000 regarding the unaudited net profit of BNC Children's Hospital for the six months ended 30 June 2021 was accrued and subsequently paid on 23 August 2021.

For the six months ended 30 June 2020, a dividend of RMB43,353,000 was paid to BCH.

## 15 COMMITMENTS

### Capital commitments

The following is the details of capital expenditure contracted for but not provided in the consolidated financial statements.

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Contracted but not provided for		
– Property, plant and equipment	1,572	3,290
– Intangible assets	983	1,433
	<u>2,555</u>	<u>4,723</u>



# Notes to the Interim Condensed Consolidated Financial Information (Continued)

## 16 SIGNIFICANT RELATED PARTY TRANSACTIONS

### (a) Significant transactions with related parties

The directors of the Company are of the view that the following parties that had transactions or balances with the Group are related parties:

Name	Relationship with the Group
Mr. Jason ZHOU	The controlling shareholder of the Company
Mr. XU Han	An executive Director of the Company
Ms. XIN Hong	An executive Director of the Company
Ms. ZHAO Juan	The spouse of Mr. Jason ZHOU
Ms. ZHOU Jie	The sister of Mr. Jason ZHOU
Ms. GAN Feng	A shareholder of the Company
Beijing Jiahua Likang Health Investment Co., Ltd. (北京嘉華麗康醫療投資管理有限公司)	Significant influenced by the controlling shareholder of the Company
Beijing Children's Hospital, Capital Medical University (首都醫科大學附屬北京兒童醫院)	Significant influence on a subsidiary of the Company
Beijing MuHe JiaYe Property Management Co., Ltd. (北京睦合嘉業物業管理有限公司)	Controlled by Ms. ZHAO Juan, the spouse of the controlling shareholder of the Company
Beijing Bairui Kangchen Technology Development Co., Ltd. (北京柏瑞康辰科技發展有限公司)	Controlled by a shareholder of the Company
Shanghai New Century Pujin Pediatric Clinic Outpatient Service Co., Ltd. (上海新世紀浦錦兒科門診部有限公司)	Controlled by a shareholder of the Company
Zhuhai Yunzhong Equity Investment Limited Partnership (珠海雲眾股權投資企業(有限合伙))	The general partner is a key management of the Company
Chengdu Women's and Children's Central Hospital (成都市婦女兒童醫院)	Significant influence on a subsidiary of the Company
Chengdu Yunxi Ge Health Management Co., Ltd. (成都雲禧閣健康管理有限公司)	Significant influenced by the controlling shareholder of the Company
Tianjin Heping New Century Women's and Children's Hospital Co., Ltd. (天津和平新世紀婦兒醫院有限公司)	Significant influenced by the controlling shareholder of the Company
Foshan Shunde Yihe Clinic Co., Ltd. (佛山市順德怡和門診部有限公司)	Significant influenced by the controlling shareholder of the Company
Chengdu Wuhou New Century Joy City Clinic Outpatient Service Co., Ltd. (成都武侯新世紀大悅城門診部)	Significant influenced by the controlling shareholder of the Company

# Notes to the Interim Condensed Consolidated Financial Information (Continued)

## 16 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

### (a) Significant transactions with related parties (Continued)

The following significant transactions were carried out between the Group and its related parties. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
<b>Hospital consulting services provided to</b>		
– Tianjin Heping New Century Women's and Children's Hospital	444	67
– Beijing Jiahua Likang Health Investment Co., Ltd.	–	4,061
	<u>444</u>	<u>4,128</u>
<b>Examination and laboratory test services received from</b>		
– Beijing Children's Hospital, Capital Medical University	713	378
– Chengdu Women's and Children's Central Hospital	24	38
<b>Purchase of goods from</b>		
– Beijing Children's Hospital, Capital Medical University	–	155
<b>Cleaning services received from</b>		
– Beijing MuHe JiaYe Property Management Co., Ltd.	4,108	4,295
<b>Premise rental services from</b>		
– Chengdu Women's and Children's Central Hospital	5,144	5,850
	<u>9,989</u>	<u>10,716</u>

# Notes to the Interim Condensed Consolidated Financial Information (Continued)

## 16 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

### (b) Loans to related parties

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Beginning of the period	24,830	20,289
Loans to related parties	2,850	2,144
Interest expense	551	–
End of the period	<u>28,231</u>	<u>22,433</u>

### (c) Period/year-end balances arising from sales/purchases of services

Balances with related parties as at 30 June 2021 and 31 December 2020 are disclosed in Note 10.

### (d) Key management compensation

Key management includes directors and senior managements. The compensation paid or payable to key management for employee services was shown as below:

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Salaries and bonus	5,783	4,003
Share based payment	–	421
Others	421	389
Total	<u>6,204</u>	<u>4,813</u>



## Notes to the Interim Condensed Consolidated Financial Information (Continued)

### 16 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

#### (e) Provision of premises by a related party

The Group established BNC Children's Hospital based on a public-private-partnership arrangement with BCH, a public hospital in Beijing, the PRC. Pursuant to the cooperation agreement in 2002, BCH agreed to provide premises on its allocated land for the business operation of BNC Children's Hospital without extra payments to each other. The term of the cooperation with BCH lasts until 12 December 2022.

### 17 CONTINGENCIES

The Group has been named defendants in a number of lawsuits arising in the ordinary course of business. Provision will be made for the probable losses to the Group on those claims when management can reasonably estimate the outcome of the lawsuits taking into account of the legal advice from third-party legal counsels.

### 18 EVENT OCCURRING AFTER REPORTING PERIOD

Except for the dividend payment to a non-controlling shareholder disclosed in Note 14, there was no other material subsequent event occurred during the period from 30 June 2021 to the approval date of this interim financial information by the board of directors of the Company.

## Definitions

“Audit Committee”	the audit committee of the Board;
“BNC Ao-dong Clinic”	Beijing New Century Ao-dong Clinic Outpatient Service Co., Ltd. (北京新世紀奧東門診部有限公司), formerly known as Beijing Meihua Women and Children Clinic Co., Ltd. (北京美華婦兒門診部有限公司), a company incorporated in the PRC with limited liability on May 15, 2014, which is a wholly owned subsidiary of the Company;
“BNC Children’s Hospital”	Beijing New Century Children’s Hospital Co., Ltd. (北京新世紀兒童醫院有限公司), a company incorporated in the PRC with limited liability, which is a non-wholly-owned subsidiary of the Company;
“BNC Harmony Clinic”	Beijing New Century Ronghe Outpatient Service Co., Ltd. (北京新世紀榮和門診部有限公司), a company incorporated in the PRC with limited liability on May 30, 2012, which is a non-wholly-owned subsidiary of the Company;
“BNC Qingnian Road Clinic”	Beijing New Century Qingnian Road Pediatric Clinic Co., Ltd. (北京新世紀青年路兒科診所有限公司), a company incorporated in the PRC with limited liability, which is a wholly-owned subsidiary of the Company;
“BNC Wenyu Clinic”	Beijing New Century Wenyu Clinic Outpatient Service Co., Ltd. (北京新世紀溫榆門診部有限公司), a company incorporated in the PRC with limited liability, which is a wholly-owned subsidiary of the Company;
“BNC Women’s and Children’s Hospital”	Beijing New Century Women’s and Children’s Hospital Co., Ltd. (北京新世紀婦兒醫院有限公司), a company incorporated in the PRC with limited liability on January 4, 2012, which is a non-wholly owned subsidiary of the Company;
“Board”	the board of Directors of the Company;
“BVI”	the British Virgin Islands;
“Century Star”	Century Star Investment Co., Ltd., a company incorporated in the BVI with limited liability on August 14, 2015 and is wholly-owned by Mr. Jason ZHOU;
“CG Code”	Corporate Governance Code as set out in Appendix 14 to the Listing Rules;
“Chengdu New Century”	Chengdu New Century Women’s and Children’s Hospital Co.,Ltd. (成都新世紀婦女兒童醫院有限公司), a company incorporated in the PRC with limited liability on September 28, 2010, which is a non-wholly owned subsidiary of the Company;



## Definitions (Continued)

“China” or “PRC”	the People’s Republic of China; for the purpose of this interim report only, references to “China” or the “PRC” do not include Taiwan, the Macau Special Administrative Region and Hong Kong;
“Company”	New Century Healthcare Holding Co. Limited (新世紀醫療控股有限公司), a company incorporated in the Cayman Islands with limited liability on July 31, 2015, the Shares of which are listed on the Main Board of the Stock Exchange;
“Directors”	directors of the Company;
“Employee Share Scheme”	the restricted share award scheme approved and adopted by the Company on August 28, 2020;
“Existing Medical Institutions”	our medical institutions which have opened and continued to operate, namely, BNC Children’s Hospital, BNC Women’s and Children’s Hospital, BNC Harmony Clinic, BNC Wenyu Clinic, BNC Ao-dong Clinic and Chengdu New Century;
“Group”, “our Group”, “we” or “us”	the Company and its subsidiaries;
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC;
“IPO”	the initial public offering of the Shares and listing of the Group on the Stock Exchange;
“JoeCare”	JoeCare Investment Co., Ltd., a company incorporated in the BVI with limited liability on July 16, 2015 and wholly-owned by Mr. Jason ZHOU. JoeCare is one of our controlling Shareholders;
“Latest Practicable Date”	September 14, 2021, being the latest practicable date for the purpose of ascertaining certain information contained in this interim report;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and supplemented from time to time;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules;
“Remuneration Committee”	the remuneration committee of the Board;
“RMB”	Renminbi, the lawful currency of the PRC;
“RSA Scheme”	the restricted share award scheme approved and adopted by the Company on August 29, 2016;

## Definitions (Continued)

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholder(s)”	holder(s) of the Share(s);
“Share(s)”	ordinary share(s) of US\$0.0001 each in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Voting Agreement”	an agreement entered into between Mr. Jason ZHOU and Ms. LIANG Yanqing on February 18, 2016 and renewed on February 17, 2019 by a renewal agreement entered into between the same parties on January 31, 2019 for a renewed term of three years from February 18, 2019 until February 17, 2022, pursuant to which Ms. LIANG Yanqing irrevocably agreed to follow Mr. Jason ZHOU’s voting directions when exercising the voting rights attached to the Shares beneficially owned by her during the term of such agreement;
“YoY”	year-on-year; and
“%”	percent.

In this interim report, the terms “connected person”, “controlling shareholder” and “subsidiary” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.