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## 新世紀醫療控股有限公司

New Century Healthcare Holding Co. Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1518)

### ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2023

#### 2023 ANNUAL RESULTS HIGHLIGHTS

Set forth below are the key performance highlights of our Group for the year ended December 31, 2023:

1. Our revenue amounted to approximately RMB933.1 million for the year ended December 31, 2023, representing a significant increase of 46.6% as compared with our revenue of approximately RMB636.5 million for the year ended December 31, 2022.
2. We recorded a profit before income tax of approximately RMB166.1 million for the year ended December 31, 2023 as compared to loss before income tax of approximately RMB289.9 million for the year ended December 31, 2022, which was primarily attributable to (i) the increase of gross profit by RMB205.0 million or 101.4%; (ii) the decrease of impairment losses on non-current assets by RMB132.1 million or 84.8%; and (iii) the decrease of impairment losses on financial assets by RMB117.7 million or 93.0%.

The Board recommended the payment of a final dividend of HK\$0.0378 per Share for the year ended December 31, 2023 to the Shareholders, subject to the approval by the Shareholders at the forthcoming AGM.

#### Key Operational Data

	Year ended December 31,		
	2023	2022	Increase
Revenue from medical services attributable to outpatients (RMB'000)	571,245	373,159	53.1%
Outpatient visits	337,351	239,767	40.7%
Revenue from medical services attributable to inpatients (RMB'000)	301,195	210,633	43.0%
Inpatient visits	9,097	7,156	27.1%

Our Board is pleased to announce the audited consolidated financial results of our Group for the year ended December 31, 2023 together with the comparative figures for the year ended December 31, 2022 as set out below.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		<b>Year ended December 31,</b>	
	<i>Note</i>	<b>2023</b>	<b>2022</b>
		<b>RMB'000</b>	<b>RMB'000</b>
<b>Revenue</b>	3	<b>933,073</b>	636,459
Cost of revenue	3	<b>(525,986)</b>	(434,317)
Impairment losses on non-current assets	4	<b>(23,563)</b>	(155,699)
Selling expenses		<b>(68,268)</b>	(62,286)
Administrative expenses		<b>(129,882)</b>	(131,828)
Research and development expenses		<b>(5,930)</b>	(7,695)
Net impairment losses on financial assets		<b>(8,869)</b>	(126,643)
Other income		<b>1,952</b>	3,380
Other losses — net	5	<b>(718)</b>	(20)
<b>Operating profit/(loss)</b>		<b>171,809</b>	(278,649)
Finance income		<b>2,937</b>	9,717
Finance costs		<b>(8,524)</b>	(13,034)
Share of net loss of investments accounted for using the equity method		<b>(80)</b>	(27)
Impairment losses on investment in an associate		<b>—</b>	(7,860)
<b>Profit/(loss) before income tax</b>		<b>166,142</b>	(289,853)
Income tax expense	6	<b>(34,053)</b>	(1,720)
<b>Profit/(loss) for the year</b>		<b>132,089</b>	(291,573)
<b>Profit/(loss) for the year is attributable to:</b>			
Owners of the Company		<b>84,164</b>	(297,734)
Non-controlling interests		<b>47,925</b>	6,161

		<b>Year ended December 31,</b>	
	<i>Note</i>	<b>2023</b>	2022
		<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Other comprehensive loss</b>			
<i>Items that may be reclassified to profit or loss</i>			
— Exchange differences on translation of foreign operations		<u>(144)</u>	<u>(1,351)</u>
<b>Total comprehensive income/(loss)</b>		<b><u>131,945</u></b>	<b><u>(292,924)</u></b>
<b>Total comprehensive income/(loss) for the year is attributable to:</b>			
Owners of the Company		<b>84,020</b>	(299,085)
Non-controlling interests		<b><u>47,925</u></b>	<u>6,161</u>
<b>Earnings/(loss) per share for profit/(loss) attributable to the ordinary equity holders of the Company</b>			
<i>(expressed in RMB per share)</i>			
Basic and diluted earnings/(loss) per share	7	<b><u>0.17</u></b>	<b><u>(0.62)</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	<b>As of December 31,</b>	
		<b>2023</b>	2022
		<b>RMB'000</b>	<b>RMB'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		96,457	137,345
Right-of-use assets		143,662	154,203
Intangible assets		243,771	250,008
Investments accounted for using the equity method		12,190	12,634
Deferred tax assets		862	685
Long-term deposits and prepayments		3,963	2,862
		<b>500,905</b>	<b>557,737</b>
<b>Total non-current assets</b>			
<b>Current assets</b>			
Inventories		22,261	24,885
Trade receivables	8	51,316	33,636
Other receivables, deposits and prepayments		18,478	24,810
Amounts due from related parties		27,123	34,237
Restricted cash		20,000	—
Cash and cash equivalents		304,310	226,079
		<b>443,488</b>	<b>343,647</b>
<b>Total current assets</b>			
		<b>944,393</b>	<b>901,384</b>
<b>Total assets</b>			
<b>EQUITY</b>			
Share capital		335	335
Shares held for employee share scheme		(2,939)	(2,939)
Share premium		2,606,495	2,606,495
Reserves		(1,496,445)	(1,496,301)
Accumulated losses		(585,162)	(669,326)
		<b>522,284</b>	<b>438,264</b>
<b>Equity attributable to owners of the Company</b>			
Non-controlling interests		(70,525)	(76,913)
		<b>451,759</b>	<b>361,351</b>
<b>Total equity</b>			

	<i>Note</i>	<b>As of December 31,</b>	
		<b>2023</b>	2022
		<b>RMB'000</b>	<b>RMB'000</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		<b>149,103</b>	181,108
Deferred tax liabilities		<b>7,554</b>	25,113
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>156,657</b>	206,221
		<hr/>	<hr/>
<b>Current liabilities</b>			
Trade payables	9	<b>40,891</b>	39,800
Accruals, other payables and provisions		<b>186,758</b>	221,871
Contract liabilities		<b>27,531</b>	19,480
Current tax liabilities		<b>16,380</b>	9,784
Lease liabilities		<b>56,970</b>	35,908
Amounts due to related parties		<b>7,447</b>	6,969
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>335,977</b>	333,812
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>492,634</b>	540,033
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		<b>944,393</b>	901,384
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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

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

The Company is a limited liability company incorporated in the Cayman Islands on July 31, 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 January 18, 2017.

The consolidated financial statements are presented in Renminbi (“**RMB**”) and rounded to nearest thousand yuan, unless otherwise stated.

## 2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

### 2.1 Basis of preparation

#### *2.1.1 Compliance with HKFRS and HKCO*

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) and the disclosure requirements of the Hong Kong Companies Ordinance (“**HKCO**”) Cap. 622.

#### *2.1.2 Historical cost convention*

The consolidated financial statements have been prepared on a historical cost basis.

### 2.1.3 *New and amended standards and interpretations adopted by the Group*

The Group has applied the following new and amended standards and interpretations for its annual reporting period commencing January 1, 2023:

- Insurance Contracts — HKFRS 17
- Definition of Accounting Estimates — amendments to HKAS 8
- International Tax Reform — Pillar Two Model Rules — amendments to HKAS 12
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction — amendments to HKAS 12
- Disclosure of Accounting Policies — Amendments to HKAS 1 and HKFRS Practice Statement 2

The adoption of these new and amended standards does not have material impact on the financial performance and position of the Group and also the material accounting policies of the Group.

### 2.1.4 *New and amended standards and interpretations not yet adopted*

		<b>Effective for annual periods beginning on or after</b>
• Hong Kong Interpretations 5 (Revised)	Presentation of financial statements-classification by the borrower of a term loan that contains a repayment on demand clause	1 January 2024
• Amendments to HKAS 1	Classification of liabilities as current or non-current	1 January 2024
• Amendments to HKAS 1	Non-current liabilities with covenants	1 January 2024
• Amendments to HKFRS 16	Lease liability in a sale and leaseback	1 January 2024
• Amendments to HKAS 7 and HKFRS 7	Supplier finance arrangements	1 January 2024
• Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
• Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group has already commenced an assessment of the impact of these new or revised standards and amendments, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the directors, no material impact on the financial performance and positions of the Group is expected when they become effective.

### 3 SEGMENT INFORMATION

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 reportable segments are as follows:

	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>For the year ended December 31, 2023</b>							
Revenue from external customers	818,800	103,975	18	10,280	—	—	933,073
Inter-segment revenue	—	—	—	32,380	(32,380)	—	—
Total revenue	818,800	103,975	18	42,660	(32,380)	—	933,073
Cost of revenue	(419,969)	(94,974)	—	(19,333)	8,290	—	(525,986)
Impairment losses on non-current assets	—	(23,563)	—	—	—	—	(23,563)
Segment results	243,499	(50,724)	(1,678)	7,177	—	—	198,274
Unallocated income						4,854	4,854
Unallocated cost						(36,986)	(36,986)
<b>Profit/(loss) before income tax</b>	<b>243,499</b>	<b>(50,724)</b>	<b>(1,678)</b>	<b>7,177</b>	<b>—</b>	<b>(32,132)</b>	<b>166,142</b>
Income tax expense						(34,053)	(34,053)
<b>Profit for the year</b>							<b><u>132,089</u></b>
<b>As of December 31, 2023</b>							
Assets							
Segment assets	340,854	102,804	26,973	8,021	—	—	478,652
Goodwill	111,698	12,544	—	—	—	—	124,242
Unallocated assets						341,499	341,499
<b>Total assets</b>	<b>452,552</b>	<b>115,348</b>	<b>26,973</b>	<b>8,021</b>	<b>—</b>	<b>341,499</b>	<b><u>944,393</u></b>
<b>Total liabilities</b>	<b>290,632</b>	<b>154,303</b>	<b>—</b>	<b>8,747</b>	<b>—</b>	<b>38,952</b>	<b><u>492,634</u></b>
<b>Others</b>							
Depreciation and amortisation	(36,773)	(20,082)	—	(1,186)	—	(1,941)	(59,982)

	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>For the year ended December 31, 2022</b>							
Revenue from external customers	532,372	97,385	219	6,483	—	—	636,459
Inter-segment revenue	—	—	—	25,552	(25,552)	—	—
Total revenue	532,372	97,385	219	32,035	(25,552)	—	636,459
Cost of revenue	(332,129)	(94,059)	(81)	(16,792)	8,744	—	(434,317)
Impairment losses on non-current assets	(61,009)	(94,690)	—	—	—	—	(155,699)
Segment results	9,504	(130,821)	(148,158)	(3,807)	—	—	(273,282)
Unallocated income						10,031	10,031
Unallocated cost						(26,602)	(26,602)
<b>Profit/(loss) before income tax</b>	9,504	(130,821)	(148,158)	(3,807)	—	(16,571)	(289,853)
Income tax expense						(1,720)	(1,720)
<b>Loss for the year</b>							<u>(291,573)</u>
<b>As of December 31, 2022</b>							
Assets							
Segment assets	298,900	192,507	33,187	6,428	—	—	531,022
Goodwill	111,698	12,544	—	—	—	—	124,242
Unallocated assets						246,120	246,120
<b>Total assets</b>	410,598	205,051	33,187	6,428	—	246,120	<u>901,384</u>
<b>Total liabilities</b>	298,903	180,596	2,947	9,295	—	48,292	<u>540,033</u>
<b>Others</b>							
Depreciation and amortization	(37,272)	(26,983)	(2,411)	(2,584)	—	—	(69,250)

#### 4 IMPAIRMENT LOSSES ON NON-CURRENT ASSETS

	Year ended December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Impairment losses on property, plant and equipment	23,563	6,932
Impairment losses on goodwill	—	33,598
Impairment losses on intangible assets other than goodwill	—	115,169
	<u>23,563</u>	<u>155,699</u>

#### 5 OTHER LOSSES — NET

	Year ended December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Gains on disposal of right-of-use assets	—	228
Gains on disposal of a subsidiary	—	585
Losses on disposal of property, plant and equipment	(720)	(745)
Others	2	(88)
	<u>(718)</u>	<u>(20)</u>

#### 6 INCOME TAX EXPENSE

	Year ended December 31,	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Current income taxation:		
— PRC corporate income tax	51,789	28,677
Deferred income tax	(17,736)	(26,957)
	<u>34,053</u>	<u>1,720</u>

##### (a) Cayman Islands income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

**(b) PRC Corporate Income Tax**

Subsidiaries established and operating in Mainland China are subject to PRC corporate income tax at the rate of 25% except for New Century Healthcare Technology (Beijing) Co., Ltd. which has been eligible as a High and New Technology Enterprise since December 2019 with preferential tax rate of 15% as set out in PRC Corporate Income Tax Law.

**(c) Hong Kong profits tax**

Hong Kong profits tax rate is 16.5% for the years ended December 31, 2023 and 2022. No Hong Kong profit tax was provided for as there was no estimated assessable profit that was subject to Hong Kong profits tax during the years ended December 31, 2023 and 2022.

**7 EARNINGS/(LOSS) PER SHARE**

**(a) Basic**

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue adjusted for bonus elements in ordinary shares issued during the year and excluding shares held for RSA scheme.

	<b>Year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Profit/(loss) attributable to owners of the Company (RMB'000)	<u>84,164</u>	<u>(297,734)</u>
Weighted average number of ordinary shares in issue (in thousands) (i)	<u>483,184</u>	<u>483,246</u>
Basic earnings/(loss) per share (in RMB)	<u><u>0.17</u></u>	<u><u>(0.62)</u></u>

The earnings/(loss) per share presented above is calculated by using the weighted average number of ordinary shares during the year ended December 31, 2023.

- (i) On July 25, 2017, the Company granted 9,000,000 ordinary shares (the “**Restricted Shares**”) to certain employees pursuant to a restricted share award scheme. The Restricted Shares were held by two trustees which are under control by the board the directors of the Company. As of December 31, 2023, 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 earnings/(loss) per share.

As of December 31, 2023, the Company held 2,073,500 (2022: 2,073,500) shares of the Company to set up an employee stock incentive plan. These shares were not included in the calculation of basic earnings per share as they are not outstanding.

**(b) Diluted**

Diluted earnings per share were the same as basic earnings per share as the Group had no potential dilutive shares during the years ended December 31, 2023 and 2022.

**8 TRADE RECEIVABLES**

	<b>As of December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Current assets</b>		
Trade receivables from contracts with customers	<b>52,499</b>	34,238
Less: allowance for impairment of trade receivables	<b>(1,183)</b>	(602)
	<hr/>	<hr/>
Trade receivables — net	<b>51,316</b>	33,636
	<hr/> <hr/>	<hr/> <hr/>

As of December 31, 2023 and 2022, the aging analysis of the trade receivables based on demand note date was as follows:

	<b>As of December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Up to 3 months	<b>45,512</b>	24,207
4–6 months	<b>1,012</b>	4,153
7 months — 1 year	<b>2,619</b>	1,495
Over 1 year	<b>3,356</b>	4,383
	<hr/>	<hr/>
	<b>52,499</b>	34,238
	<hr/> <hr/>	<hr/> <hr/>

**9 TRADE PAYABLES**

The ageing analysis, based on demand note date, of the trade payables is as follows:

	<b>As of December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Up to 3 months	<b>30,884</b>	26,722
4–6 months	<b>6,078</b>	10,977
7 months–1 year	<b>2,667</b>	735
Over 1 year	<b>1,262</b>	1,366
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	<b>40,891</b>	39,800
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**10 DIVIDENDS**

The Board of the Company resolved to recommend the payment of a final dividend of HK\$0.0378 per share for the year ended December 31, 2023 (December 31, 2022: nil), totalling HK\$18,523,000, to shareholders of the Company, subject to the approval by the shareholders at the forthcoming annual general meeting.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS OVERVIEW AND OUTLOOK

### Business Overview for the year ended December 31, 2023

For the year ended December 31, 2023, our Group's revenue was RMB933.1 million, representing a 46.6% YoY increase when compared to the revenue of RMB636.5 million for the year ended December 31, 2022. Our revenue was primarily generated from the provision of medical services, which amounted to RMB922.8 million for the year ended December 31, 2023 as compared to RMB629.8 million for the year ended December 31, 2022, representing a 46.5% YoY increase. Our increase in total revenue was generally in line with our increase in revenue generated from the provision of medical services.

During the year ended December 31, 2023, the revenue generated from the provision of medical services accounted for 98.9% of our total revenue. This business segment mainly comprises pediatric services and obstetric and gynecologic services, which accounted for 87.8% and 11.1% of our total revenue for the year ended December 31, 2023, respectively.

For the pediatric services, we recorded a 53.8% YoY increase in revenue from RMB532.4 million for the year ended December 31, 2022 to RMB818.8 million for the year ended December 31, 2023, among which, we recorded (i) a 38.0% YoY increase in the number of inpatient visits from 5,387 to 7,432 as well as a 59.1% YoY increase in revenue attributable to inpatient medical services from RMB159.6 million to RMB254.0 million; and (ii) a 47.6% YoY increase in the number of outpatient visits from 196,071 to 289,375 as well as a 57.4% YoY increase in revenue attributable to outpatient medical services from RMB326.8 million to RMB514.5 million.

For the obstetrics and gynecology services, we recorded a 6.8% YoY increase in revenue from RMB97.4 million for the year ended December 31, 2022 to RMB104.0 million for the year ended December 31, 2023, among which, we recorded (i) a 5.9% YoY decrease in the number of inpatient visits from 1,769 to 1,665 as well as a 7.6% YoY decrease in revenue attributable to inpatient visits from RMB51.1 million to RMB47.2 million; and (ii) a 9.8% YoY increase in the number of outpatient visits from 43,696 to 47,976 as well as a 22.7% YoY increase in revenue attributable to outpatient medical services from RMB46.3 million to RMB56.8 million.

The Group recorded a profit for the year and profit for the year attributable to owners of the Company in the year ended December 31, 2023 of RMB132.1 million and RMB84.2 million, respectively, whereas we recorded a loss for the year and loss for the year attributable to owners of the Company in the year ended December 31, 2022 of RMB291.6 million and RMB297.7 million, respectively. Such change was primarily due to (i) the general recovery of the Group's business performance since the first quarter of 2023, especially with a significant growth in the Group's business in connection with its provision of pediatric services, thereby causing a substantial increase in the Group's revenue for the year ended December 31, 2023; and (ii) reduction in the provisions for impairment on certain non-current assets and financial assets for the year ended December 31, 2023, as compared to provisions for impairment of approximately RMB282.3 million in aggregate for the year ended December 31, 2022.

As a leading private medical service provider in Beijing and the PRC, we provide customers with integrated medical services of gynecology, obstetrics and pediatrics, and are characterized by providing comprehensive and in-depth pediatric medical services. The growth of our pediatric business is mainly due to (i) our Group's strengthening of clinical deployment, product and service organization and service promotion of internal medicine-pediatric services (including general pediatrics, haematology, respiratory and cardiology etc.), pediatric surgery service and pediatric specialist services (including ophthalmology, otorhinolaryngology, stomatology and dermatology etc.); (ii) strengthening of the buildup of commercial insurance team and active development of commercial insurance business; (iii) strengthening of the construction of the "New Century Family Doctor" panda membership program, improving the quality of member service; and (iv) with the help of digitalized customer operation and management systems, improving customer reach and enhancing customer visit experience, so as to improve customer stickiness. Our internal medicine-pediatric services became a main driving factor for the significant growth of the Group's results for the year ended December 31, 2023, when compared with the year ended December 31, 2022, our revenue generated from internal medicine-pediatric services increased by 102.2% while our revenue generated from pediatric surgery services and pediatric specialist services in aggregate increased by over 10.0%. In addition, the contribution of commercial insurance clients to the income of our pediatric services increased from 28.2% in the year of 2022 to 35.8%. The combined revenue of pediatric membership and commercial insurance clients accounts for over 60.0% of revenue from pediatric services, reflecting a customer base with consumption power.

### **Industry Outlook and the Group's Strategies**

The comprehensive development of healthcare services in respect of women and children have been highly emphasized by the PRC. In September 2021, the State Council issued the "Outline on the Development of Chinese Women (2021–2030)" and "Outline on the Development of Chinese Children (2021–2030)", which are of great significance in promoting the high-quality development of China's women and children's healthcare business. The "Notice of the National Health Commission on Publishing the Implementation

Plan for the 2021–2030 Outlines for the Development of Chinese Women and Children” issued in April 2022 provides further guidance. China’s women and children’s health work still faces many challenges such as insufficient total service resources, uneven distribution, and a shortage of high-quality resources. Especially since the adjustment of the birth policy, the proportion of advanced age and multiparous women has increased, the risk of complications, comorbidities, and birth defects during pregnancy has increased, and the demand for newborn safety and child healthcare services has further increased, triggering (i) a significant increase in the market demand for the provision of whole-cycle, whole-process and all-round medical and healthcare services to women and children; and (ii) more stringent requirements regarding medical service capabilities, service modes and service principle.

In order to further promote the delicacy management of medical insurance and boost the utilization efficiency of medical insurance fund, the National Healthcare Security Administration published a notice on November 26, 2021 regarding the “Three-Year Action Plan for DRG/DIP Payment Reform”, in which it is stated that DRG/DIP Payment will be carried out in all planning areas in the PRC by the end of 2024 and DRP/DIP Payment will cover all qualified medical institutions providing inpatient services by the end of 2025, basically achieving a full coverage on diseases and medical insurance funds. The full implementation of DRG/DIP Payment in designated medical institutions will raise the requirements on the medical technology level of private high-end medical institutions, which further highlights their advantages and attracts the people with long-term illness, complicated illness and mid-end to high-end commercial medical insurance to pursue quality medical services.

Adhering to the previously formulated development strategies, our Group intends to grasp the industry opportunities by implementing the following measures in 2024:

- In view of the changes in the payment policy of fundamental medical insurance in the PRC, continue to strengthen the Group’s brand promotion among high-end commercial insurance institutions to expand coverage of high-income target customer group.
- Optimize the Group’s strategy in order to enrich its reserve of top-notch medical expert resources.
- Enhance the customer management system upgrade and product experience of membership services to continue to expand the membership base by family units and the service reach rate.
- With the competitive advantage of multi-disciplinary collaboration in pediatrics and gynecology, focus on building sub-specialties and building a product and service chain around our customers’ medical and health needs.
- Expand the market-oriented consumption medical services of ophthalmology, children’s healthcare, endocrinology and stomatology.

## 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:

	Year ended December 31,			
	2023		2022	
	<i>(in thousands of RMB, except percentages)</i>			
Medical services	<b>922,775</b>	<b>98.9%</b>	629,757	99.0%
Hospital consulting services	<b>18</b>	<b>—</b>	219	<b>—</b>
Others <sup>(1)</sup>	<b>10,280</b>	<b>1.1%</b>	6,483	1.0%
Total	<b><u>933,073</u></b>	<b><u>100.0%</u></b>	<b><u>636,459</u></b>	<b><u>100.0%</u></b>

(1) Others 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 (excluding impairment), gross profit and gross profit margin of our medical services for the periods indicated:

	Year ended December 31,	
	2023	2022
	<i>(in thousands of RMB except percentages)</i>	
Revenue	<b>922,775</b>	629,757
Cost of revenue	<b>514,943</b>	426,188
Gross profit <sup>(1)</sup>	<b>407,832</b>	203,569
Gross profit margin <sup>(2)</sup>	<b>44.2%</b>	32.3%

(1) Gross profit is calculated by deducting cost of revenue (excluding impairment) from revenue.

(2) Gross profit margin is calculated by dividing gross profit by revenue and multiplied by 100%.

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

	<b>Year ended December 31,</b>			
	<b>2023</b>		<b>2022</b>	
	<i>(in thousands of RMB, except percentages)</i>			
Pediatric services	<b>818,800</b>	<b>87.8%</b>	532,372	83.7%
Obstetric and gynecologic services	<b>103,975</b>	<b>11.1%</b>	97,385	15.3%
Total	<b><u>922,775</u></b>	<b><u>98.9%</u></b>	<b><u>629,757</u></b>	<b><u>99.0%</u></b>

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

	<b>Year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Our Group</b>		
<b>Inpatient services</b>		
Inpatient visits	<b>9,097</b>	7,156
Average inpatient spending per visit (RMB)	<b>33,109</b>	29,434
<b>Outpatient services</b>		
Outpatient visits	<b>337,351</b>	239,767
Average outpatient spending per visit (RMB)	<b>1,693</b>	1,556
<b>Revenue from medical services attributable to inpatients (RMB'000)</b>	<b>301,195</b>	210,633
<b>Revenue from medical services attributable to outpatients (RMB'000)</b>	<b>571,245</b>	373,159
<b>Revenue recognized for membership card sales (RMB'000)</b>	<b>50,335</b>	45,965
<b>Pediatric Services</b>		
<b>Inpatient services</b>		
Inpatient visits	<b>7,432</b>	5,387
Average inpatient spending per visit (RMB)	<b>34,171</b>	29,624

	<b>Year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Outpatient services</b>		
Outpatient visits	<b>289,375</b>	196,071
Average outpatient spending per visit ( <i>RMB</i> )	<b>1,778</b>	1,667
<b>Revenue from pediatric services attributable to inpatients (<i>RMB'000</i>)</b>	<b>253,962</b>	159,582
<b>Revenue from pediatric services attributable to outpatients (<i>RMB'000</i>)</b>	<b>514,503</b>	326,825
<b>Revenue recognized for membership card sales (<i>RMB'000</i>)</b>	<b>50,335</b>	45,965
<b>Obstetric and gynecologic services</b>		
<b>Inpatient services</b>		
Inpatient visits	<b>1,665</b>	1,769
Average inpatient spending per visit ( <i>RMB</i> )	<b>28,368</b>	28,858
<b>Outpatient services</b>		
Outpatient visits	<b>47,976</b>	43,696
Average outpatient spending per visit ( <i>RMB</i> )	<b>1,183</b>	1,060
<b>Revenue from obstetric and gynecologic services attributable to inpatients (<i>RMB'000</i>)</b>	<b>47,233</b>	51,051
<b>Revenue from obstetric and gynecologic services attributable to outpatients (<i>RMB'000</i>)</b>	<b>56,742</b>	46,334

Revenue from provision of our medical services amounted to RMB922.8 million in 2023, representing a 46.5% YoY increase and accounting for 98.9% of our Group's total revenue. This increase was primarily due to (i) a 53.1% increase and 43.0% increase in revenue from medical services attributable to the outpatients and inpatients respectively; and (ii) a 9.5% YoY increase in revenue recognized for membership card sales.

In 2023, there were 7,432 pediatric services inpatient visits, representing a YoY increase of 38.0%. There were also 289,375 pediatric services outpatient visits, representing a YoY increase of 47.6%. For our obstetric and gynecologic services, there were 1,665 inpatient visits, representing a YoY decrease of 5.9%, and 47,976 outpatient visits, representing a YoY increase of 9.8%.

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 in 2023 reached RMB514.9 million, representing a YoY increase of 20.8%. The increase in cost of revenue of medical services was in line with the increase in revenue from medical services attributable to outpatient visits and inpatient visits which led to the increase in pharmaceutical costs caused by outpatient visits and inpatient visits.

### ***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:

	<b>Year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<i>(in thousands of RMB, except percentages)</i>	
Revenue	<b>18</b>	219
Cost of revenue	(—)	81
Gross profit	<b>18</b>	138
Gross profit margin	<b>100.0%</b>	63.0%

The gross profit and the gross profit margin of our hospital consulting services for the year ended December 31, 2023 were RMB0.018 million and 100.0% respectively. The provision of hospital consulting services decreased due to the decrease of services provided to a third-party of the Group.

### **Gross Profit and Gross Profit Margin**

Our gross profit in 2023 amounted to RMB407.1 million, representing a YoY increase of 101.4%. This was primarily because of the increase in inpatient and outpatient visits in pediatric services. Our gross profit margin increased from 31.8% in 2022 to 43.6% in 2023.

### **Selling Expenses**

Our selling expenses in 2023 amounted to RMB68.3 million, representing a YoY increase of 9.6%. This was primarily due to the increase in business scale, which led to the increase in personnel costs and miscellaneous expenses.

## **Administrative Expenses**

Our administrative expenses in 2023 amounted to RMB129.9 million, representing a YoY decrease of 1.4% from RMB131.8 million in 2022. Such decrease were primarily due to (i) the decrease in administrative expenses due to ceased operation of loss-making clinics in 2022; and (ii) the measures adopted by us to optimize personnel structure to reduce employee expenses of administrative department.

## **Research and Development Expenses**

The expenses for research and development of our Group were RMB5.9 million in 2023 as compared with RMB7.7 million in 2022. Such decrease was mainly due to the reduction of research and development activities during the year.

## **Impairment Losses of Non-current Assets**

During the year ended December 31, 2023, the Group recorded impairment losses on non-current assets amounting to RMB23.6 million, which was due to impairment on property, plant and equipment of the Group's cash generating unit of obstetrics and gynecology in Chengdu New Century Women's and Children's Hospital. Such amount represented a significant YoY decrease of 84.8% when compared to the Group's impairment losses on non-current assets of RMB155.7 million for the year ended December 31, 2022, which primarily comprised impairment losses on goodwill, intangible assets other than goodwill and property, plant and equipment relating to the cash generation unit of pediatric in Chengdu New Century Women's and Children's Hospital and cash generating unit in obstetrics and gynecology in Chengdu New Century Women's and Children's Hospital.

## **Impairment Losses on Financial Assets**

During the year ended December 31, 2023, the Group recorded impairment losses on financial assets amounting to RMB8.9 million, which was primarily due to the impairment losses on (i) the trade receivables and other receivables of RMB6.2 million; and (ii) the amounts due from related parties of RMB2.7 million. Such amount represented a significant YoY decrease of 93.0% when compared to the Group's impairment losses on financial assets of RMB126.6 million for the year ended December 31, 2022. The impairment losses on financial assets for the year ended December 31, 2022 was primarily due to expected credit losses of amounts due from related parties, including Jiahua Likang and Beijing Bairui Kangchen Technology Development Co., Ltd. amounting to RMB104.5 million and RMB21.9 million, respectively. These impairment losses were mainly due to low business performance of these related parties in 2022 which significantly affected the abilities of related parties to fulfill the agreed repayment schedule. Significant impairment losses were provided for based on the Group's expected credit losses policy.

## **Impairment Losses on Investment in an Associate**

During the year ended December 31, 2022, our Group recorded impairment losses amounting to RMB7.9 million from its investment in Jiahua Yongsheng, while no such impairment losses for the year ended December 31, 2023.

## **Other Losses — Net**

In 2023, the Group recorded RMB0.7 million losses on disposal of property, plant and equipments. While in 2022, the Group recorded gains from disposal of a subsidiary and right-of-use assets totally amounting to RMB0.8 million which was offset by losses on disposal of property, plant and equipment of RMB0.8 million.

## **Finance Income and Costs**

Our finance income in 2023 decreased from RMB9.7 million in 2022 to RMB2.9 million, which was mainly the result of decrease of RMB6.5 million in foreign exchange gains in connection with bank balance dominated in USD of our Group as the lower appreciation of the USD against the RMB for the year ended December 31, 2023 compared to that for the year ended December 31, 2022. Our finance costs in 2023 amounted to RMB8.5 million, mainly consisting of interest expenses of RMB8.1 million related to lease payment.

## **Income Tax Expense**

Our income tax expense in 2023 increased to RMB34.1 million, which was mainly due to the increased profits of our Group in 2023.

Our effective tax rate for the year ended December 31, 2023 was 20.5%. Due to the loss-making result for the year ended December 31, 2022, the effective tax rate is not applicable.

## **Profit for the year ended December 31, 2023**

Our profit attributable to the owners of our Company for the year ended December 31, 2023 amounted to RMB84.2 million, as compared to a net loss attributable to the owners of our Company of RMB297.7 million for the year ended December 31, 2022.

## **FINANCIAL POSITION**

### **Inventories**

Our inventories decreased by 10.4% from RMB24.9 million as of December 31, 2022 to RMB22.3 million as of December 31, 2023 primarily due to (i) the increased business volume which led to more inventories being consumed near the year ended December 31, 2023; and (ii) the Group's enhanced medicines inventory management to reduce the stockpiling of inventories.

### **Trade Receivables**

Our trade receivables increased by 52.7% from RMB33.6 million as of December 31, 2022 to RMB51.3 million as of December 31, 2023, which was primarily driven by the significant increase in receivables from commercial insurance business which was due to the significant increase in medical services of our Group.

### **Trade Payables**

Our trade payables increased by 2.8% from RMB39.8 million as of December 31, 2022 to RMB40.9 million as of December 31, 2023 primarily because of increased operational volumes and increased purchases in the fourth quarter.

## **LIQUIDITY AND CAPITAL RESOURCES**

### **Treasury Policy**

Our Group continues to manage its financial position carefully and maintains conservative policies in cash and financial management. Our Group's liquidity and financing requirements are regularly reviewed. Our Board closely monitors our Group's liquidity position to ensure that our Group can meet its funding requirements for business development from time to time.

### **Restricted Cash**

As of December 31, 2023, restricted cash represents the deposits in one bank account which was restricted at that time as it was still subject to certain internal validation process of the bank. As of the date of this announcement, the restriction on that bank account has been released.

## **Cash and Cash Equivalents**

As of December 31, 2023, we had cash and cash equivalents of RMB304.3 million (2022: RMB226.1 million). We did not have any interest-bearing borrowings as of December 31, 2023 (2022: nil).

## **Significant Investments, Acquisitions and Disposals**

We did not have any significant investments, material acquisitions or material disposals in the year ended December 31, 2023.

## **Capital Expenditures**

Our capital expenditures primarily include expenditures on (i) property, plant and equipment, comprising buildings and construction, leasehold improvements, medical equipment, furniture and office equipment and motor vehicles; (ii) intangible assets such as computer software relating to our operations; and (iii) investment in the equity interests. The amount of our capital expenditures in 2023 was RMB10.7 million (2022: RMB28.8 million), and the decrease was mainly attributable to the Group's investment in associates in 2022 amounting to RMB18.7 million.

## **INDEBTEDNESS**

### **Borrowings**

As of December 31, 2023, we did not have any borrowings (2022: 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. On December 31, 2023, our assets and liabilities are primarily denominated in RMB, except for certain cash and cash equivalents 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 December 31, 2023, 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 December 31, 2023, none of our assets had been pledged.

## **Contractual Obligations**

As of December 31, 2023, 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 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 in a timely and effective manner.

## **Gearing Ratio**

As of December 31, 2023, our gearing ratio, calculated as total borrowings divided by total equity, is not applicable (2022: Not applicable).

## **EMPLOYEE AND REMUNERATION POLICY**

On December 31, 2023, our Group had 1,284 employees (2022: 1,246 employees). Total staff remuneration expenses including Directors' remuneration in 2023 amounted to RMB345.8 million (2022: RMB312.2 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 insurances and housing provident contributions made by our Group, performance-based compensation and discretionary bonus. Our Group has adopted the RSA Scheme and the Employee Share Scheme to attract, retain and motivate our key employees.

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

## **FINAL DIVIDEND**

The Board resolved to recommend the payment of a final dividend of HK\$0.0378 per share for the year ended December 31, 2023 (December 31, 2022: nil), totalling HK\$18,523,000, to Shareholders whose name appear on the register of members of the Company as at the close of business on Thursday, June 6, 2024. In order to qualify for the final dividend for the year ended December 31, 2023, all transfer accompanied by the relevant share certificates and transfer forms must be lodged with our Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, May 30, 2024.

The final dividend is subject to the approval of Shareholders at the AGM and, if approved, is expected to be paid on or before Tuesday, July 2, 2024. Further announcement will be made in respect of the payment date of the final dividend.

## **OTHER INFORMATION**

### **Annual General Meeting**

The AGM of our Company will be held on Wednesday, May 22, 2024. A notice convening the AGM will be published on our Company's website and the Stock Exchange's website and dispatched to the Shareholders who requested printed copy in accordance with the requirements of the Listing Rules in due course.

### **Closure of Register of Members**

For determining the entitlement to attend and vote at the AGM, the register of members of our Company will be closed from Friday, May 17, 2024 to Wednesday, May 22, 2024, both dates inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, non-registered holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with our Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, May 16, 2024.

For the purposes of ascertaining the Shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Friday, May 31, 2024 to Thursday, June 6, 2024 (both dates inclusive). In order to qualify for the proposed final dividend, all transfer accompanied by the relevant share certificates and transfer forms must be lodged with our Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, May 30, 2024.

## **CORPORATE GOVERNANCE PRACTICE**

Our Board of Directors is committed to maintaining high corporate governance standards. Our Company has applied the principles as set out in the CG Code contained in Appendix C1 to the Listing Rules which are applicable to our Company.

In the opinion of our Directors, our Company has complied with all applicable code provisions as set out in the CG Code during the year ended December 31, 2023, save and except for code provision C.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. Zhou is both our chairman and chief executive officer of our Company, and is responsible for the overall management of our Group and directing the strategic development and business plans of our Group. We believe that Mr. Zhou is instrumental to our growth and business expansion since our establishment in 2002. Our 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 our Company to make and implement decisions more promptly and effectively. Thus, our Company does not segregate the roles of chairman and chief executive officer. Our Board will continue to review the situation and consider splitting the roles of chairman and chief executive officer of our Company in due course after taking into account of the then overall circumstances of our Group.

Further information of the corporate governance practice of our Company will be set out in the corporate governance report in the annual report of our Company for the year ended December 31, 2023.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

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

Our 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 year ended December 31, 2023. Our Company has made specific inquiries of relevant employees about their compliance with the guidelines on transactions of our Company's securities, without noticing any violation of the guidelines.

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

As of December 31, 2023, for the purpose of the Employee Share Scheme, 2,073,500 Shares have been purchased from the market by the trustee appointed by our 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 announcement, during the year ended December 31, 2023, neither our Company nor any of its subsidiaries had purchased, sold or redeemed any of our Company's listed securities.

## **AUDIT COMMITTEE**

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

The Audit Committee has reviewed the annual results of our Group for the year ended December 31, 2023 and has recommended for our Board's approval thereof.

## **SCOPE OF WORK OF PRICEWATERHOUSECOOPERS**

The figures in respect of our Group's consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended December 31, 2023 as set out in this results announcement have been agreed by our Group's auditor, PricewaterhouseCoopers, to the amounts set out in our Group's audited consolidated financial statements for the year ended December 31, 2023. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on this results announcement.

## **SUBSEQUENT EVENTS**

Save as disclosed above, as of the date of this annual results announcement, the Group had no other significant events after the reporting period that needs to be disclosed.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This annual results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and our Company ([www.ncich.com.cn](http://www.ncich.com.cn)). The 2023 annual report of our Company containing all the information required by the Listing Rules will be dispatched to the Shareholders and made available on the above websites in due course.

## DEFINITIONS

“AGM”	annual general meeting of our Company;
“Audit Committee”	the audit committee of our Board;
“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 on December 13, 2002, which is a non-wholly-owned subsidiary of our Company;
“Board” or “Board of Directors”	the board of Directors of our Company;
“CG Code”	Corporate Governance Code as set out in Appendix C1 to the Listing Rules;
“Chengdu New Century Women’s and Children’s Hospital”	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 our Company;
“China” or “PRC”	the People’s Republic of China; for the purpose of this announcement 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 our Company;
“DRG/DIP Payment”	Diagnosis Related Group (DRG) payment refers to the payment by the diagnosis-related grouping of diseases, where, according to the diagnosis of diseases, treatment modalities and individual characteristics of patients, etc., different diagnosis-related groups are established, each of which a uniform payment standard will be determined for; and Diagnosis-Intervention Packet (DIP) payment refers to the payment by disease point value, which is calculated based on the total annual medical insurance payment, the medical insurance payment ratio and the total point of each medical institution’s cases to form the payment standard;

“Employee Share Scheme”	the restricted share award scheme approved and adopted by our Company on August 28, 2020;
“Group”, “our Group”, “we” or “us”	our Company and its subsidiaries;
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKFRS”	Hong Kong Financial Reporting Standards;
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC;
“Jiahua Likang”	Beijing Jiahua Likang Medical Investment and Management Co., Ltd. (北京嘉華麗康醫療投資管理有限公司), a company incorporated in the PRC with limited liability on April 16, 2009, and is a connected person of the Company;
“Jiahua Yihe”	Beijing Jiahua Yihe Management and Consulting Co., Ltd. (北京嘉華怡和管理諮詢有限公司), a company incorporated in the PRC with limited liability on June 15, 2015 and wholly-owned by the Company;
“Jiahua Yongsheng”	Beijing Jiahua Yongsheng Medical Investment Management Co., Ltd. (北京嘉華永盛醫療投資管理有限公司), a company incorporated in the PRC with limited liability on September 22, 2015, which is owned directly as to 67.53% and 20.00% by Jiahua Likang and Beijing Qiaonaisen Star Medical Consulting Co., Ltd. (北京喬耐森星醫療諮詢有限公司), and as to 12.47% by Jiahua Yihe indirectly through its wholly-owned subsidiary;
“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 C3 to the Listing Rules;
“Mr. Zhou”	Mr. Jason ZHOU, chairman of our Board, chief executive officer, executive Director and controlling Shareholder;
“Remuneration Committee”	the remuneration committee of our Board;
“RMB”	Renminbi, the lawful currency of the PRC;

“RSA Scheme”	the restricted share award scheme approved and adopted by our Company on August 29, 2016;
“Shares(s)”	ordinary share(s) of US\$0.0001 each in the issued capital of our Company or if there has been a subsequent subdivision, consolidation, reclassification or reconstruction of the share capital of our Company, shares forming part of the ordinary equity share capital of our Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“YoY”	year-on-year; and
“%”	percent.

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

By Order of the Board  
**New Century Healthcare Holding Co. Limited**  
**Mr. Jason ZHOU**  
*Chairman, Executive Director and Chief Executive Officer*

Hong Kong, March 28, 2024

*As of the date of this announcement, the Board of Directors comprises Mr. Jason ZHOU, Ms. XIN Hong and Mr. XU Han, as executive Directors; Mr. WANG Siye, Ms. LI Suyu, Mr. YANG Yuelin and Mr. XIE Qiang, as non-executive Directors; and Mr. WU Guanxiong, Mr. SUN Hongbin, Mr. JIANG Yanfu and Dr. MA Jing, as independent non-executive Directors.*