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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, 2024

#### 2024 ANNUAL RESULTS HIGHLIGHTS

Set forth below are the key performance highlights of our Group for the year ended December 31, 2024:

1. Our revenue amounted to approximately RMB846.5 million for the year ended December 31, 2024, representing a decrease of 9.3% as compared with our revenue of approximately RMB933.1 million for the year ended December 31, 2023.
2. We recorded a profit before income tax of approximately RMB141.5 million for the year ended December 31, 2024 as compared to a profit before income tax of approximately RMB166.1 million for the year ended December 31, 2023, which was primarily attributable to the lower demand for pediatric internal medicine services in 2024. In 2023, driven by a surge in pediatric infections, the demand for pediatric internal medicine was exceptionally strong and reached the peak in recent years. Subsequently, the gradual return to the normal level for demand of medical services to pediatric patients resulted in a decrease in revenue, which ultimately led to a decrease in the Group's profit in 2024.

The Board recommended the payment of a final dividend of HK\$0.0221 per Share for the year ended December 31, 2024 to the Shareholders, subject to the approval by the Shareholders at the forthcoming AGM.

#### Key Operational Data

	Year ended December 31,		Increase/ (decrease)
	2024	2023	
Revenue from medical services attributable to outpatients (RMB'000)	481,113	571,245	(15.8)%
Outpatient visits	279,396	337,351	(17.2)%
Revenue from medical services attributable to inpatients (RMB'000)	304,329	301,195	1.0%
Inpatient visits	9,088	9,097	(0.1)%

Our Board is pleased to announce the audited consolidated financial results of our Group for the year ended December 31, 2024 together with the comparative figures for the year ended December 31, 2023 as set out below.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended December 31,	
		2024	2023
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue</b>	3	<b>846,496</b>	933,073
Cost of revenue	3	(501,539)	(525,986)
Impairment losses on non-current assets		—	(23,563)
Selling expenses		(67,356)	(68,268)
Administrative expenses		(125,375)	(129,882)
Research and development expenses		(4,078)	(5,930)
Net impairment losses on financial assets		(5,802)	(8,869)
Other income		1,056	1,952
Other losses — net	4	(1,432)	(718)
<b>Operating profit</b>		<b>141,970</b>	171,809
Finance income		5,412	2,937
Finance costs		(8,103)	(8,524)
Share of net profit/(loss) of investments accounted for using the equity method		2,265	(80)
<b>Profit before income tax</b>		<b>141,544</b>	166,142
Income tax expense	5	(47,762)	(34,053)
<b>Profit for the year</b>		<b>93,782</b>	132,089
<b>Profit for the year is attributable to:</b>			
Owners of the Company		47,378	84,164
Non-controlling interests		46,404	47,925

		<b>Year ended December 31,</b>	
		<b>2024</b>	2023
	<i>Note</i>	<b>RMB'000</b>	<i>RMB'000</i>
<b>Earnings per share for profit attributable to the ordinary equity holders of the Company (expressed in RMB per share)</b>			
Basic and diluted earnings per share	6	<u><b>0.10</b></u>	<u>0.17</u>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
— Exchange differences on translation of foreign operations		<u>772</u>	<u>(144)</u>
<b>Total comprehensive income</b>		<u><b>94,554</b></u>	<u>131,945</u>
<b>Total comprehensive income for the year is attributable to:</b>			
Owners of the Company		<b>48,150</b>	84,020
Non-controlling interests		<u><b>46,404</b></u>	<u>47,925</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at December 31,	
	2024	2023
	<i>Note</i>	<i>RMB'000</i>
	<i>RMB'000</i>	<i>RMB'000</i>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment		96,457
Right-of-use assets		143,662
Intangible assets		243,771
Investments accounted for using the equity method		12,190
Deferred tax assets		862
Long-term deposits and prepayments		3,963
		<hr/>
<b>Total non-current assets</b>		<b>478,712</b>
		<hr/>
<b>Current assets</b>		
Inventories		22,261
Trade receivables	7	51,316
Other receivables, deposits and prepayments		18,478
Amounts due from related parties		27,123
Restricted cash		20,000
Cash and cash equivalents		304,310
		<hr/>
<b>Total current assets</b>		<b>460,422</b>
		<hr/>
<b>Total assets</b>		<b>939,134</b>
		<hr/> <hr/>
<b>EQUITY</b>		
Share capital		335
Shares held for employee share scheme		(2,939)
Share premium		2,606,495
Reserves		(1,496,445)
Accumulated losses		(585,162)
		<hr/>
<b>Equity attributable to owners of the Company</b>		<b>553,826</b>
		<hr/>
Non-controlling interests		(70,525)
		<hr/>
<b>Total equity</b>		<b>508,876</b>
		<hr/> <hr/>

		<b>As at December 31,</b>	
		<b>2024</b>	<b>2023</b>
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		<b>127,056</b>	149,103
Deferred tax liabilities		<b>10,923</b>	7,554
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>137,979</b>	156,657
		<hr/>	<hr/>
<b>Current liabilities</b>			
Trade payables	8	<b>29,916</b>	40,891
Accruals, other payables and provisions		<b>174,827</b>	186,758
Contract liabilities		<b>23,272</b>	27,531
Current tax liabilities		<b>3,403</b>	16,380
Lease liabilities		<b>58,773</b>	56,970
Amounts due to related parties		<b>2,088</b>	7,447
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>292,279</b>	335,977
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>430,258</b>	492,634
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		<b>939,134</b>	944,393
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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, 2024:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants — Amendments to HKAS 1;
- Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause — Hong Kong Interpretation 5 (Revised);
- Lease liability in sale and leaseback — Amendments to HKFRS 16; and
- Supplier Finance Arrangements — Amendments to HKAS 7 and HKFRS 7.

The amendments and interpretation listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for December 31, 2024 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and amendments is set out below.

		<b>Effective for annual periods beginning on or after</b>	
•	Amendments to HKAS 21	Lack of Exchangeability	January 1, 2025
•	Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
•	Annual Improvements to HKFRS Accounting Standards	Volume 11	January 1, 2026
•	HKFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
•	HKFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027

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 three distinct segments: (i) pediatric services, (ii) obstetrics and gynecology services, and (iii) 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	Others RMB'000	Intersegment eliminations RMB'000	Unallocated RMB'000	Total RMB'000
<b>For the year ended December 31, 2024</b>						
Revenue from external customers	735,843	101,499	9,154	—	—	846,496
Inter-segment revenue	—	—	30,856	(30,856)	—	—
Total revenue	735,843	101,499	40,010	(30,856)	—	846,496
Cost of revenue	(394,740)	(96,108)	(16,792)	6,101	—	(501,539)
Segment results	186,184	(26,095)	10,044	—	—	170,133
Unallocated income					8,136	8,136
Unallocated cost					(36,725)	(36,725)
<b>Profit/(loss) before income tax</b>	186,184	(26,095)	10,044	—	(28,589)	141,544
Income tax expense					(47,762)	(47,762)
<b>Profit for the year</b>						<u>93,782</u>
<b>Others</b>						
Depreciation and amortisation	(37,699)	(12,137)	(787)	—	(1,074)	(51,697)
<b>As at December 31, 2024</b>						
<b>Assets</b>						
Segment assets	322,794	87,895	31,531	—	—	442,220
Goodwill	111,698	12,544	—	—	—	124,242
Unallocated assets					372,672	372,672
<b>Total assets</b>	434,492	100,439	31,531	—	372,672	<u>939,134</u>
<b>Total liabilities</b>	258,893	134,651	8,504	—	28,210	<u>430,258</u>



	Pediatrics RMB'000	Obstetrics and Gynecology 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	10,298	—	—	933,073
Inter-segment revenue	—	—	32,380	(32,380)	—	—
Total revenue	818,800	103,975	42,678	(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)	5,499	—	—	198,274
Unallocated income					4,854	4,854
Unallocated cost					(36,986)	(36,986)
<b>Profit/(loss) before income tax</b>	243,499	(50,724)	5,499	—	(32,132)	166,142
Income tax expense					(34,053)	(34,053)
<b>Profit for the year</b>						<b>132,089</b>
<b>Others</b>						
Depreciation and amortisation	(36,773)	(20,082)	(1,186)	—	(1,941)	(59,982)
<b>As of December 31, 2023</b>						
Assets						
Segment assets	340,854	102,804	34,994	—	—	478,652
Goodwill	111,698	12,544	—	—	—	124,242
Unallocated assets					341,499	341,499
<b>Total assets</b>	452,552	115,348	34,994	—	341,499	<b>944,393</b>
<b>Total liabilities</b>	290,632	154,303	8,747	—	38,952	<b>492,634</b>

#### 4 OTHER LOSSES — NET

	Year ended December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Losses on disposal of property, plant and equipment	(766)	(720)
Others	(666)	2
	<u>(1,432)</u>	<u>(718)</u>

#### 5 INCOME TAX EXPENSE

	Year ended December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current income taxation:		
— PRC corporate income tax	44,410	51,789
Deferred income tax	3,352	(17,736)
	<u>47,762</u>	<u>34,053</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, 2024 and 2023. 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, 2024 and 2023.

##### (d) Withholding tax

As at December 31, 2024, deferred tax liabilities of RMB11,707,000 (2023: RMB5,054,700) have not been recognised for the withholding tax that would be payable on the unremitted earnings of the PRC subsidiaries. Management expects to reinvest such amount in these subsidiaries in the foreseeable future. Unremitted earnings of these subsidiaries as at December 31, 2024 amounted to RMB117,070,000 (2023: RMB50,547,000).

## 6 EARNINGS PER SHARE

### (a) Basic

Basic earnings per share is calculated by dividing the profit 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.

	Year ended December 31,	
	2024	2023
Profit attributable to owners of the Company ( <i>RMB'000</i> )	<u>47,378</u>	<u>84,164</u>
Weighted average number of ordinary shares in issue ( <i>in thousands</i> ) (i)	<u>483,184</u>	<u>483,184</u>
Basic earnings per share ( <i>in RMB</i> )	<u><u>0.10</u></u>	<u><u>0.17</u></u>

The earnings per share presented above is calculated by using the weighted average number of ordinary shares during the year ended December 31, 2024.

- (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 (“**RSA scheme**”). The Restricted Shares were held by two trustees which are under control by the board the directors of the Company. As at December 31, 2024, except for 4,767,000 shares that were forfeited, all the other shares were vested and exercised. Those forfeited shares were excluded from the calculation of basic earnings per share.

As at December 31, 2024, the Company held 2,073,500 (2023: 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, 2024 and 2023.

## 7 TRADE RECEIVABLES

	As at December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current assets		
Trade receivables from contracts with customers	<b>47,683</b>	52,499
Less: allowance for impairment of trade receivables	<b>(1,533)</b>	(1,183)
	<hr/>	<hr/>
Trade receivables — net	<b><u>46,150</u></b>	<b><u>51,316</u></b>

As at December 31, 2024 and 2023, the aging analysis of the trade receivables based on demand note date was as follows:

	As at December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Up to 3 months	<b>43,882</b>	45,512
4–6 months	<b>400</b>	1,012
7 months–1 year	<b>2,303</b>	2,619
Over 1 year	<b>1,098</b>	3,356
	<hr/>	<hr/>
	<b><u>47,683</u></b>	<b><u>52,499</u></b>

## 8 TRADE PAYABLES

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

	As at December 31,	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Up to 3 months	<b>22,568</b>	30,884
4–6 months	<b>5,602</b>	6,078
7 months–1 year	<b>458</b>	2,667
Over 1 year	<b>1,288</b>	1,262
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	<b><u>29,916</u></b>	<b><u>40,891</u></b>

## 9 DIVIDENDS

Pursuant to the shareholders resolution of the Company dated on May 22, 2024, a final dividend amounting to HKD18,523,000 (approximate RMB16,844,000) of HKD0.0378 per fully paid ordinary share was approved. The dividends attributable to shares held by the trustee of the restricted share award scheme and shares held for employee share scheme were eliminated in the consolidated statement of financial position of the Group, dividends of HKD18,264,000 (approximate RMB16,608,000) after elimination was recorded in the consolidated statement of changes in equity of the Group, accordingly. For the year ended December 31, 2024, HKD18,264,000 (approximate RMB16,608,000) of the final dividend was fully paid by the Company.

For the year ended December 31, 2024, a dividend of RMB20,829,000 (2023: RMB41,537,000) was paid to Beijing Children’s Hospital, Capital Medical University (“**BCH**”), a non-controlling shareholder of BNC Children’s Hospital, a subsidiary of the Group.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS OVERVIEW AND OUTLOOK

### Business Overview for the year ended December 31, 2024

For the year ended December 31, 2024, our Group's revenue was RMB846.5 million, representing a 9.3% YoY decrease when compared to the revenue of RMB933.1 million for the year ended December 31, 2023. Our revenue was primarily generated from the provision of medical services, which amounted to RMB837.3 million for the year ended December 31, 2024 as compared to RMB922.8 million for the year ended December 31, 2023, representing a 9.3% YoY decrease. During the year ended December 31, 2024, 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 87.9% and 12.1% of our total medical revenue for the year ended December 31, 2024, respectively.

As a leading private children's medical service provider in Beijing and the PRC, we provide customers with integrated medical services of gynecology, obstetrics and pediatrics, and we are characterized by the provision of our comprehensive and in-depth pediatric medical services. The development of our pediatric business was mainly attributable to (i) our Group's strengthening of clinical deployment, product and service organization and service promotion of pediatric internal medicine services (including general pediatrics, haematology, respiratory and cardiology etc.), pediatric surgery services and pediatric specialist services (including ophthalmology, otorhinolaryngology, stomatology and dermatology etc.); (ii) the strengthened establishment of commercial insurance team and active development of commercial insurance business; (iii) the enhancement of service system construction regarding our "New Century Family Doctor" panda membership program to improve the quality of member service; and (iv) the improvement in customer stickiness with the help of digitalized customer operation and management systems, thereby enhancing customer reach and customer visit experience.

For the pediatric services, we recorded a 10.1% YoY decrease in revenue from RMB818.8 million for the year ended December 31, 2023 to RMB735.8 million for the year ended December 31, 2024, among which, we recorded a 17.8% YoY decrease in the number of outpatient visits from 289,375 to 237,986 as well as a 16.5% YoY decrease in revenue attributable to outpatient medical services from RMB514.5 million to RMB429.4 million.

For the obstetrics and gynecology services, we recorded a 2.4% YoY decrease in revenue from RMB104.0 million for the year ended December 31, 2023 to RMB101.5 million for the year ended December 31, 2024, among which, we recorded (i) a 0.9% YoY decrease in the number of inpatient visits from 1,665 to 1,650 but still managed to achieve a 5.3% YoY increase in revenue attributable to inpatient medical services from RMB47.2 million to RMB49.7 million; and (ii) a 13.7% YoY decrease in the number of outpatient visits from 47,976 to 41,410 as well as a 8.6% YoY decrease in revenue attributable to outpatient medical services from RMB56.7 million to RMB51.8 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, 2024 of RMB93.8 million and RMB47.4 million, respectively, whereas we 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. Such change was primarily due to the exceptionally strong demand for pediatric internal medicine services driven by a surge in pediatric infections in 2023, which represented the peak in recent years, and the gradual return to the normal demand for medical services to pediatric patients in 2024 resulted in a decrease in revenue attributable to the business of pediatric internal medicine, which caused a reduction in gross profit and further led to a decrease in the Group's profit during the year ended December 31, 2024.

The business of pediatric internal medicine experienced a significant decline, becoming the primary factor contributing to the Group's revenue decrease for the year ended December 31, 2024. Our revenue generated from pediatric internal medicine represented a YoY decrease of RMB58.1 million as compared with the year ended December 31, 2023. For pediatric business, the customer base with consumption power remained stable. The contribution of commercial insurance clients to the revenue of our pediatric services increased from 35.8% in the year of 2023 to 39.7% in the year of 2024. The combined revenue of pediatric membership and commercial insurance clients accounted for over 70.0% of revenue from pediatric services.

## **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 in this regard. China's women and children's health work still faces many challenges such as insufficient total service resources, uneven distribution of resources, and a shortage of high-quality resources. Especially since the

adjustment of the birth policy, with the increase in the proportion of advanced age and multiparous women, the risk of complications of pregnancy, comorbidities, and birth defects 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.

On January 16, 2025, the National Health Commission, together with the National Development and Reform Commission, the Ministry of Finance and the National Healthcare Security Administration, jointly formulated and issued the *Opinions on Promoting the Construction of Birth-Friendly Hospitals* (《關於推進生育友好醫院建設的意見》) (the “**Opinions**”), encouraging and guiding midwifery medical institutions to develop birth-friendly hospitals, and proposing that the proportion of such hospitals to reach 90% among midwifery medical institutions by 2030. This initiative seeks to provide the public with safer, more convenient, warmer and more comfortable birth medical and healthcare services. The Opinions set out a series of practical measures, including focusing on promoting obstetrics wards with single and double rooms, creating warm and cozy environment for birthing rooms, comprehensively launching pharmacological analgesia for delivery services, and encouraging qualified institutions to establish family-centered neonatal care units. The health commissions of Beijing and Chengdu, in which the Group has established presence, have initiated the construction of birth-friendly hospitals.

In March 2025, the Government Work Report proposed to formulate policies to promote fertility, including the provision of childcare subsidies, the vigorous development of integrated childcare services, and the expansion of affordable childcare services. For instance, Inner Mongolia Autonomous Region took the lead in implementing a localised policy of fertility promotion and subsidy provision in accordance with the Government Work Report. (In line with the *Implementation Opinions of the People’s Government of Hohhot on the Promotion of Population Concentration and High-Quality Development of the Population* (Hu Zheng Fa [2025] No. 7) (《呼和浩特市人民政府關於促進人口集聚推動人口高質量發展的實施意見》(呼政發[2025]7號)), the Hohhot Municipal Health Commission has introduced childcare subsidies, offering RMB10,000 for the first child, a total of RMB50,000 over five years for the second child, and a total of RMB100,000 over ten years for the third child and each subsequent child thereafter).

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 DRG/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 2025:

- Continue to strengthen the Group's brand promotion among mid-end to high-end commercial insurance institutions to expand coverage of high-income target customer base.
- Expedite the certification of the Group's hospitals in accordance with the Opinions on the construction of birth-friendly hospitals.
- Leveraging on the Group's strengths in pediatric services, expand the population of children's health management in key cities.
- With the competitive advantage of multi-disciplinary collaboration in pediatrics and obstetrics and gynecology, focus on building sub-specialties and building a product and service chain around our customers' medical and health needs.

## FINANCIAL REVIEW

### Segment Revenue

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

	Year ended December 31,			
	2024		2023	
	<i>(in thousands of RMB, except percentages)</i>			
Medical services	<b>837,342</b>	<b>98.9%</b>	922,775	98.9%
Others <sup>(1)</sup>	<b>9,154</b>	<b>1.1%</b>	10,298	1.1%
Total	<b><u>846,496</u></b>	<b><u>100.0%</u></b>	<b><u>933,073</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, gross profit and gross profit margin of our medical services for the periods indicated:

	Year ended December 31,	
	2024	2023
	<i>(in thousands of RMB, except percentages)</i>	
Revenue	<b>837,342</b>	922,775
Cost of revenue	<b>490,848</b>	514,943
Gross profit <sup>(1)</sup>	<b>346,494</b>	407,832
Gross profit margin <sup>(2)</sup>	<b>41.4%</b>	44.2%

(1) Gross profit is calculated by deducting cost of revenue 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>2024</b>		<b>2023</b>	
	<i>(in thousands of RMB, except percentages)</i>			
Pediatric services	<b>735,843</b>	<b>86.9%</b>	818,800	87.8%
Obstetric and gynecologic services	<b>101,499</b>	<b>12.0%</b>	103,975	11.1%
Total	<b><u>837,342</u></b>	<b><u>98.9%</u></b>	<b><u>922,775</u></b>	<b><u>98.9%</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>2024</b>	<b>2023</b>
<b>Our Group</b>		
<b>Inpatient services</b>		
Inpatient visits	<b>9,088</b>	9,097
Average inpatient spending per visit (RMB)	<b>33,487</b>	33,109
<b>Outpatient services</b>		
Outpatient visits	<b>279,396</b>	337,351
Average outpatient spending per visit (RMB)	<b>1,722</b>	1,693
<b>Revenue from medical services attributable to inpatients (RMB'000)</b>	<b>304,329</b>	301,195
<b>Revenue from medical services attributable to outpatients (RMB'000)</b>	<b>481,113</b>	571,245
<b>Revenue recognized for membership card sales (RMB'000)</b>	<b>51,900</b>	50,335
<b>Pediatric Services</b>		
<b>Inpatient services</b>		
Inpatient visits	<b>7,438</b>	7,432
Average inpatient spending per visit (RMB)	<b>34,228</b>	34,171
<b>Outpatient services</b>		
Outpatient visits	<b>237,986</b>	289,375
Average outpatient spending per visit (RMB)	<b>1,804</b>	1,778

	<b>Year ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Revenue from pediatric services attributable to inpatients (RMB'000)</b>	<b>254,586</b>	253,962
<b>Revenue from pediatric services attributable to outpatients (RMB'000)</b>	<b>429,357</b>	514,503
<b>Revenue recognized for membership card sales (RMB'000)</b>	<b>51,900</b>	50,335
<b>Obstetric and gynecologic services</b>		
<b>Inpatient services</b>		
Inpatient visits	<b>1,650</b>	1,665
Average inpatient spending per visit (RMB)	<b>30,147</b>	28,368
<b>Outpatient services</b>		
Outpatient visits	<b>41,410</b>	47,976
Average outpatient spending per visit (RMB)	<b>1,250</b>	1,183
<b>Revenue from obstetric and gynecologic services attributable to inpatients (RMB'000)</b>	<b>49,743</b>	47,233
<b>Revenue from obstetric and gynecologic services attributable to outpatients (RMB'000)</b>	<b>51,756</b>	56,742

Revenue from provision of our medical services amounted to RMB837.3 million in 2024, representing a 9.3% YoY decrease and accounting for 98.9% of our Group's total revenue. This decrease was primarily due to (i) a 15.8% decrease and 1.0% increase in revenue from medical services attributable to the outpatients and inpatients respectively; and (ii) a 3.1% YoY increase in revenue recognized for membership card sales.

In 2024, there were 7,438 pediatric services inpatient visits, representing a YoY increase of 0.1%. There were also 237,986 pediatric services outpatient visits, representing a YoY decrease of 17.8%. For our obstetric and gynecologic services, there were 1,650 inpatient visits, representing a YoY decrease of 0.9%, and 41,410 outpatient visits, representing a YoY decrease of 13.7%.

The cost of revenue of our medical services consists primarily of employee benefits expenses, cost of inventories and consumables, consultation fees, depreciation and amortisation, outsourced examination and inspection fees and utilities, maintenance fees and office expenses. The cost of revenue of our medical services in 2024 reached RMB490.8 million, representing a YoY decrease of 4.7%. The decrease in cost of revenue of medical services was primarily due to the decrease in pharmaceutical costs caused by medical services.

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

Our gross profit in 2024 amounted to RMB345.0 million, representing a YoY decrease of 15.3%. This was primarily because of the decrease in outpatient visits in medical services. Our gross profit margin decreased from 43.6% in 2023 to 40.8% in 2024.

### **Selling Expenses**

Our selling expenses in 2024 amounted to RMB67.4 million, representing a YoY decrease of 1.3%. The selling expenses for 2024 were slightly lower than 2023.

### **Administrative Expenses**

Our administrative expenses in 2024 amounted to RMB125.4 million, representing a YoY decrease of 3.5% from RMB129.9 million in 2023. Such decrease was mainly a result of the measures continuously carried out by us to reduce expenses and improve the operation efficiency in 2024.

### **Research and Development Expenses**

The expenses for research and development of our Group were RMB4.1 million in 2024 as compared with RMB5.9 million in 2023, representing a YoY decrease of 30.5%. Such decrease was mainly due to the reduction of research and development activities in 2024.

### **Impairment Losses on Financial Assets**

During 2024, the Group recorded impairment losses on financial assets amounting to RMB5.8 million, which was primarily due to the impairment losses on (i) the trade receivables of RMB4.9 million; and (ii) the amounts due from related parties of RMB0.9 million. Such amount represented a YoY decrease of 34.8% when compared to the Group's impairment losses on financial assets of RMB8.9 million for the year ended December 31, 2023.

## **Other Losses — Net**

In 2024, we recorded other losses on disposal of property, plant and equipment and accumulated exchange differences on translation of foreign operations reclassified to profit or loss totally amounting to RMB1.4 million, representing a YoY increase of 100.0% when compared with our other losses on disposal of property, plant and equipment amounting to RMB0.7 million recorded in 2023.

## **Finance Income and Costs**

Our finance income increased from RMB2.9 million in 2023 to RMB5.4 million in 2024, primarily due to an increase of RMB3.1 million in interest income.

Our finance costs in 2024 amounted to RMB8.1 million, mainly consisting of interest expenses of RMB7.6 million related to lease payment.

## **Income Tax Expense**

Our income tax expense increased to RMB47.8 million in 2024 from RMB34.1 million in 2023, which was mainly due to the utilization of recognized tax losses in 2023.

Our effective tax rates were 33.8% and 20.5% for the year ended 2024 and 2023, respectively.

## **Profit for the year ended December 31, 2024**

Our profit attributable to the owners of our Company for the year ended December 31, 2024 amounted to RMB47.4 million, as compared to a profit attributable to the owners of our Company of RMB84.2 million for the year ended December 31, 2023.

## **FINANCIAL POSITION**

### **Inventories**

Our inventories decreased by 29.6% from RMB22.3 million as of December 31, 2023 to RMB15.7 million as of December 31, 2024, primarily due to the decrease of requisite medical inventories as a result of the decline of the Group's medical business in 2024.

### **Trade Receivables**

Our trade receivables decreased by 9.9% from RMB51.3 million as of December 31, 2023 to RMB46.2 million as of December 31, 2024, primarily because a YoY decrease in medical business.

### **Trade Payables**

Our trade payables decreased by 26.9% from RMB40.9 million as of December 31, 2023 to RMB29.9 million as of December 31, 2024, primarily due to the reduction in the usage of pharmaceuticals and medical consumables and decreased purchases near December 31, 2024.

## **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.

## **Cash and Cash Equivalents**

As of December 31, 2024, we had cash and cash equivalents of RMB354.5 million (2023: RMB304.3 million). We did not have any interest-bearing borrowings as of December 31, 2024 (2023: nil).

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

We did not have any significant investments, material acquisitions or material disposals in the year ended December 31, 2024.

## **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. The amount of our capital expenditures in 2024 was RMB21.8 million (2023: RMB10.7 million), and the increase was mainly attributable to our purchase of property, plant and equipment, including certain advanced imaging machineries, for the purpose of business development.

## **INDEBTEDNESS**

### **Borrowings**

As of December 31, 2024, we did not have any borrowings (2023: 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, 2024, our assets and liabilities are primarily denominated in RMB, except for certain cash and cash equivalents denominated in USD or 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, 2024, 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, 2024, none of our assets had been pledged.

## **Contractual Obligations**

As of December 31, 2024, 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, 2024, our gearing ratio, calculated as total borrowings divided by total equity, is not applicable (2023: Not applicable).

## **EMPLOYEE AND REMUNERATION POLICY**

On December 31, 2024, our Group had 1,255 employees (2023: 1,284 employees). Total staff remuneration expenses including Directors' remuneration in 2024 amounted to RMB345.4 million (2023: RMB345.8 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\$0.0221 per Share for the year ended December 31, 2024 (December 31, 2023: HK\$0.0378 per Share), totalling HK\$10,835,000, to Shareholders whose name appear on the register of members of the Company as at the close of business on Friday, June 6, 2025. In order to qualify for the final dividend for the year ended December 31, 2024, 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 Friday, May 30, 2025.

The final dividend is subject to the approval of Shareholders at the AGM and, if approved, is expected to be paid on or before Wednesday, July 2, 2025. 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 Thursday, May 22, 2025. 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 Monday, May 19, 2025 to Thursday, May 22, 2025, 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 Friday, May 16, 2025.

For the purposes of ascertaining the Shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Monday, June 2, 2025 to Friday, June 6, 2025 (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 Friday, May 30, 2025.

## **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, 2024, 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, 2024.

## **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, 2024. 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, 2024, 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, 2024, 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, 2024 and has recommended for our Board's approval thereof.

## **SCOPE OF WORK OF PRICEWATERHOUSECOOPERS**

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended December 31, 2024 as set out in the preliminary announcement have been agreed by our Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year ended. 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 the preliminary 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 2024 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;
“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;
“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 27, 2025

*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.*