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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, 2022

#### 2022 ANNUAL RESULTS HIGHLIGHTS

Set forth below are the key performance highlights of our Group for the year ended December 31, 2022:

1. Our revenue amounted to approximately RMB636.5 million for the year ended December 31, 2022, representing a small increase of 0.6% as compared with the year of 2021.
2. Loss before income tax for the year increased to RMB289.9 million as compared to RMB59.1 million last year, which was mainly attributable to (1) impairment losses on non-current assets increased by RMB140.7 million; (2) impairment losses on investment in an associate increased by RMB7.9 million; and (3) net impairment losses on financial assets increased by RMB119.1 million.

#### Key Operational Data

	Year ended December 31,		Increase/ (decrease)
	2022	2021	
Revenue from medical services attributable to outpatients (RMB'000)	<b>373,159</b>	354,979	5.1%
Outpatient visits	<b>239,767</b>	253,813	(5.5%)
Revenue from medical services attributable to inpatients (RMB'000)	<b>210,633</b>	226,801	(7.1%)
Inpatient visits	<b>7,156</b>	8,158	(12.3%)

Our Board is pleased to announce the audited consolidated financial results of our Group for the year ended December 31, 2022 together with the comparative figures for the year ended December 31, 2021 as set out below.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		<b>Year ended December 31,</b>	
	<i>Note</i>	<b>2022</b>	<b>2021</b>
		<b>RMB'000</b>	<b>RMB'000</b>
<b>Revenue</b>	3	<b>636,459</b>	632,565
Cost of revenue	3	<b>(434,317)</b>	(433,830)
Impairment losses on non-current assets	4	<b>(155,699)</b>	(15,010)
Selling expenses		<b>(62,286)</b>	(60,811)
Administrative expenses		<b>(131,828)</b>	(156,429)
Research and development expenses		<b>(7,695)</b>	(10,574)
Net impairment losses on financial assets		<b>(126,643)</b>	(7,582)
Other income		<b>3,380</b>	3,661
Other (losses)/gains — net	5	<b>(20)</b>	3,160
<b>Operating loss</b>		<b>(278,649)</b>	(44,850)
Finance income		<b>9,717</b>	3,059
Finance costs		<b>(13,034)</b>	(16,653)
Share of net loss of investments accounted for using the equity method		<b>(27)</b>	(703)
Impairment losses on investment in an associate		<b>(7,860)</b>	—
<b>Loss before income tax</b>		<b>(289,853)</b>	(59,147)
Income tax expense	6	<b>(1,720)</b>	(26,115)
<b>Loss for the year</b>		<b>(291,573)</b>	(85,262)
<b>(Loss)/profit for the year is attributable to:</b>			
Owners of the Company		<b>(297,734)</b>	(101,461)
Non-controlling interests		<b>6,161</b>	16,199

	<i>Note</i>	<b>Year ended December 31,</b>	
		<b>2022</b>	2021
		<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Other comprehensive (loss)/income</b>			
<i>Items that may be reclassified to profit or loss</i>			
— Exchange differences on translation of foreign operations		<u>(1,351)</u>	<u>290</u>
<b>Total comprehensive loss</b>		<b><u>(292,924)</u></b>	<b><u>(84,972)</u></b>
<b>Total comprehensive (loss)/income for the year is attributable to:</b>			
Owners of the Company		(299,085)	(101,171)
Non-controlling interests		<u>6,161</u>	<u>16,199</u>
<b>Loss per share for loss attributable to the ordinary equity holders of the Company</b>			
<i>(expressed in RMB per share)</i>			
Basic and diluted loss per share	7	<b><u>(0.62)</u></b>	<b><u>(0.21)</u></b>

## CONSOLIDATED BALANCE SHEET

		As of December 31,	
	Note	2022	2021
		RMB'000	RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		137,345	161,967
Right-of-use assets		154,203	223,969
Intangible assets		250,008	412,989
Investments accounted for using the equity method		12,634	1,809
Deferred tax assets		685	598
Long-term deposits and prepayments		2,862	8,133
<b>Total non-current assets</b>		<b>557,737</b>	<b>809,465</b>
<b>Current assets</b>			
Inventories		24,885	21,142
Trade receivables	8	33,636	39,351
Other receivables, deposits and prepayments		24,810	18,170
Amounts due from related parties		34,237	158,925
Cash and cash equivalents		226,079	223,843
<b>Total current assets</b>		<b>343,647</b>	<b>461,431</b>
<b>Total assets</b>		<b>901,384</b>	<b>1,270,896</b>
<b>EQUITY</b>			
Share capital		335	335
Shares held for employee share scheme		(2,939)	(2,829)
Share premium		2,606,495	2,606,495
Reserves		(1,496,301)	(1,494,950)
Accumulated losses		(669,326)	(371,592)
<b>Equity attributable to owners of the Company</b>		<b>438,264</b>	<b>737,459</b>
Non-controlling interests		(76,913)	(53,221)
<b>Total equity</b>		<b>361,351</b>	<b>684,238</b>

		<b>As of December 31,</b>	
	<i>Note</i>	<b>2022</b>	<b>2021</b>
		<b>RMB'000</b>	<b>RMB'000</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		<b>181,108</b>	243,498
Deferred tax liabilities		<b>25,113</b>	51,983
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>206,221</b>	295,481
		<hr/>	<hr/>
<b>Current liabilities</b>			
Trade payables	9	<b>39,800</b>	27,448
Accruals, other payables and provisions		<b>221,871</b>	185,421
Contract liabilities		<b>19,480</b>	30,399
Current tax liabilities		<b>9,784</b>	5,852
Lease liabilities		<b>35,908</b>	36,743
Amounts due to related parties		<b>6,969</b>	5,314
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>333,812</b>	291,177
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>540,033</b>	586,658
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		<b>901,384</b>	1,270,896
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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 to a related party of the Group 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of the Company and its subsidiaries.

### 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 requirements of the Hong Kong Companies Ordinance (“**HKCO**”) Cap. 622.

#### *2.1.2 Historical cost convention*

The consolidated financial statements have been prepared under the historical cost basis.

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

The Group has applied the following for the first time for their annual reporting period commencing January 1, 2022:

- Property, Plant and Equipment: Proceeds before Intended Use — Amendments to HKAS 16
- Onerous Contracts — Cost of Fulfilling a Contract — Amendments to HKAS 37
- Annual Improvements to HKFRS Standards 2018–2020
- Reference to the Conceptual Framework — Amendments to HKFRS 3
- Covid-19 Related Rent Concessions beyond June 30, 2021 — Amendment to HKFRS 16 (March 2021) (the “**HKFRS 16 Amendment (March 2021)**”)
- Merger Accounting for Common Control Combinations — Amendments to AG 5

The amendments listed above do 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*

		<b>Effective for annual periods beginning on or after</b>	
•	HKFRS 17	Insurance Contracts	January 1, 2023
•	HKFRS 17	Amendments to HKFRS 17	January 1, 2023
•	HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 Comparative Information	January 1, 2023
•	Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies	January 1, 2023
•	Amendments to HKAS 8	Definition of Accounting Estimates	January 1, 2023
•	Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
•	Hong Kong Interpretations 5 (Revised)	Presentation of financial statements-classification by the borrower of a term loan that contains a repayment on demand clause	January 1, 2024
•	Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	January 1, 2024
•	Amendments to HKAS 1	Non-current Liabilities with Covenants (amendments)	January 1, 2024
•	Amendments to HKFRS 16	Lease liability in a sale and leaseback	January 1, 2024
•	Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

There are no new standards, amendments to existing standards or interpretations that are not yet effective and would be expected to have a material impact to the Group.

### 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, 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>	<b>9,504</b>	<b>(130,821)</b>	<b>(148,158)</b>	<b>(3,807)</b>	<b>—</b>	<b>(16,571)</b>	<b>(289,853)</b>
Income tax expense						(1,720)	(1,720)
<b>Loss for the year</b>							<b><u>(291,573)</u></b>
<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>	<b>410,598</b>	<b>205,051</b>	<b>33,187</b>	<b>6,428</b>	<b>—</b>	<b>246,120</b>	<b><u>901,384</u></b>
<b>Total liabilities</b>	<b>298,903</b>	<b>180,596</b>	<b>2,947</b>	<b>9,295</b>	<b>—</b>	<b>48,292</b>	<b><u>540,033</u></b>
Others							
Depreciation and amortisation	(37,272)	(26,983)	(2,411)	(2,584)	—	—	(69,250)



	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, 2021</b>							
Revenue from external customers	504,081	117,240	4,620	6,624	—	—	632,565
Inter-segment revenue	—	—	—	18,012	(18,012)	—	—
Total revenue	504,081	117,240	4,620	24,636	(18,012)	—	632,565
Cost of revenue	(313,571)	(111,780)	(885)	(22,553)	14,959	—	(433,830)
Impairment losses on non-current assets	(9,012)	—	—	(5,998)	—	—	(15,010)
Segment results	57,490	(37,450)	(35,288)	(19,787)	—	—	(35,035)
Unallocated income						10,855	10,855
Unallocated cost						(34,967)	(34,967)
<b>Profit/(loss) before income tax</b>	57,490	(37,450)	(35,288)	(19,787)	—	(24,112)	(59,147)
Income tax expense						(26,115)	(26,115)
<b>Loss for the year</b>							<u>(85,262)</u>
<b>As of December 31, 2021</b>							
<b>Assets</b>							
Segment assets	433,410	279,842	139,784	5,719	—	—	858,755
Goodwill	123,826	34,014	—	—	—	—	157,840
Unallocated assets						254,301	254,301
<b>Total assets</b>	557,236	313,856	139,784	5,719	—	254,301	<u>1,270,896</u>
<b>Total liabilities</b>	302,864	199,794	4,209	7,577	—	72,214	<u>586,658</u>
<b>Others</b>							
Depreciation and amortisation	(43,473)	(30,272)	(4,526)	(8,350)	—	—	(86,621)

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

	<b>Year ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Impairment losses on property, plant and equipment	<b>6,932</b>	15,010
Impairment losses on goodwill	<b>33,598</b>	—
Impairment losses on intangible assets other than goodwill	<b>115,169</b>	—
	<u><b>155,699</b></u>	<u>15,010</u>

## 5 OTHER (LOSSES)/GAINS — NET

	Year ended December 31,	
	2022	2021
	RMB'000	RMB'000
Gains on disposal of right-of-use assets	228	3,859
Gains on disposal of a subsidiary	585	—
Losses on disposal of intangible assets	—	(115)
Losses on disposal of property, plant and equipment	(745)	(584)
Others	(88)	—
	<u>(20)</u>	<u>3,160</u>

## 6 INCOME TAX EXPENSE

	Year ended December 31,	
	2022	2021
	RMB'000	RMB'000
Current income taxation:		
— PRC corporate income tax	28,677	30,021
Deferred income tax	(26,957)	(3,906)
	<u>1,720</u>	<u>26,115</u>

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the standard taxation rate of the PRC, the principal place of the Group's operations, as follows:

	Year ended December 31,	
	2022	2021
	RMB'000	RMB'000
<b>Loss before income tax</b>	<u>(289,853)</u>	<u>(59,147)</u>
Calculated at a taxation rate of 25%	(72,463)	(14,787)
Expenses not tax deductible	9,789	12
Tax effect of tax losses or temporary differences not recognised	54,642	34,080
Adjustment of deferred income tax arising in prior years	9,961	2,274
Effects of different tax rates or income tax exemption applicable to different entities of the Group	657	5,726
Tax super deduction for research and development expenses	(866)	(1,190)
<b>Income tax expense</b>	<u>1,720</u>	<u>26,115</u>

(a) **Cayman Islands income tax**

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law 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 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, 2022 and 2021. 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, 2022 and 2021.

(d) **Withholding tax**

As of December 31, 2022, deferred tax liabilities of RMB17,451,100 (2021: RMB26,543,400) 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 of December 31, 2022 amounted to RMB174,511,000 (2021: RMB265,434,000).

## 7 **LOSS PER SHARE**

(a) **Basic**

Basic loss per share is calculated by dividing the 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>2022</b>	<b>2021</b>
Loss attributable to owners of the Company ( <i>RMB'000</i> )	<u>(297,734)</u>	<u>(101,461)</u>
Weighted average number of ordinary shares in issue ( <i>in thousands</i> ) (i)	<u>483,246</u>	<u>483,334</u>
Basic loss per share ( <i>in RMB</i> )	<u><u>(0.62)</u></u>	<u><u>(0.21)</u></u>

The loss per share presented above is calculated by using the weighted average number of ordinary shares during the year ended December 31, 2022.

- (i) On July 25, 2017, the Company granted 9,000,000 Restricted Shares to certain employees pursuant to a restricted share award scheme. As of December 31, 2022, except for 4,767,000 shares that were forfeited, all the other shares were vested. Those forfeited shares were excluded from the calculation of basic losses per share.

As of December 31, 2022, the Company held 2,073,500 (2021: 1,923,500) shares of the Company to set up an employee stock incentive plan. These shares were not included in the calculation of basic loss per share as they are not outstanding.

**(b) Diluted**

For the years ended December 31, 2022, diluted loss per share for employee share scheme is equivalent to the basic loss per share due to the Group's negative financial results attributable to owners of the Company. There were no dilutive shares in 2022.

**8 TRADE RECEIVABLES**

	<b>As of December 31,</b>	
	<b>2022</b>	2021
	<b>RMB'000</b>	RMB'000
<b>Current assets</b>		
Trade receivables from contracts with customers	<b>34,238</b>	39,797
Less: allowance for impairment of trade receivables	<b>(602)</b>	(446)
	<hr/>	<hr/>
Trade receivables — net	<b><u>33,636</u></b>	<b><u>39,351</u></b>

As of December 31, 2022 and 2021, the aging analysis of the trade receivables based on demand note date was as follows:

	<b>As of December 31,</b>	
	<b>2022</b>	2021
	<b>RMB'000</b>	RMB'000
Up to 3 months	<b>24,207</b>	31,738
4–6 months	<b>4,153</b>	1,604
7 months–1 year	<b>1,495</b>	904
Over 1 year	<b>4,383</b>	5,551
	<hr/>	<hr/>
	<b><u>34,238</u></b>	<b><u>39,797</u></b>

**(i) Fair values of trade receivables**

Due to the short-term nature of the current receivables, their carrying amounts approximate their fair value.

**(ii) Impairment and risk exposure**

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

All of the trade receivables are denominated in RMB. As a result, there is no exposure to foreign currency risk.

**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>2022</b>	<b>2021</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Up to 3 months	<b>26,722</b>	20,138
4–6 months	<b>10,977</b>	5,099
7 months–1 year	<b>735</b>	957
Over 1 year	<b>1,366</b>	1,254
	<b><u>39,800</u></b>	<b><u>27,448</u></b>

The carrying amounts of trade payables are denominated in RMB. The carrying amounts approximate their fair values due to their short-term maturities.

**10 DIVIDENDS**

The board of directors of the Company does not resolve to declare a dividend for the year ended December 31, 2022 (2021: nil).

For the year ended December 31, 2022, a dividend of RMB29,853,000 (2021: RMB42,639,000) was paid to Beijing Children's Hospital, Capital Medical University, 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 2022

For the year ended December 31, 2022, our Group's revenue was RMB636.5 million, representing a 0.6% YoY increase. Our revenue from medical services was RMB629.8 million, representing a 1.4% YoY increase, among which, the revenue from pediatric services recorded a 5.6% YoY increase to RMB532.4 million, accounting for 84.5% of the total revenue from medical services. Our revenue from pediatric outpatient services recorded a 8.2% YoY increase to RMB326.8 million. The number of pediatric services outpatient visits was 196,071, representing a 4.1% YoY decrease. Our revenue from pediatric inpatient services recorded a 1.8% YoY decrease to RMB159.6 million. The number of pediatric inpatient visits was 5,387, representing a 7.7% YoY decrease.

Our revenue from obstetrics and gynecology services recorded a 16.9% YoY decrease to RMB97.4 million in 2022. COVID-19 took a particular toll on our Group's obstetric and gynecologic services, with the number of inpatient and outpatient visits recording a decrease of 23.9% and 11.3%, respectively in 2022 as compared with the year of 2021. The decrease was primarily attributable to our Group's obstetric and gynecologic patients postponing medical consultations, inpatient surgery appointment services and pregnancy plans as a result of the impact of COVID-19.

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, Respiratory and Cardiology etc.) and well-child care (mainly including preventive health care, physical examination, growth and development clinics, psychological counseling, etc.); (ii) strengthening the buildup of commercial insurance team and actively developing commercial insurance business; (iii) strengthening the construction of the "New Century Family Doctor" panda membership program and 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. For the year ended December 31, 2022, our revenue from internal medicine-pediatric services and pediatric healthcare services increased by 9.9% as compared with the year of 2021. In addition, the direct payment income of commercial insurance in pediatric business increased by 13.2% year-on-year, and its contribution to the income of our pediatric services increased to 28.2% from 25.8% in the year of 2021. The combined revenue of pediatric membership and commercial insurance direct payment accounts for over 50.0% of revenue from pediatric services, reflecting a customer base with consumption power.

The net loss of our Group amounted to RMB291.6 million for the year ended December 31, 2022, while the net loss was RMB85.3 million for the year ended December 31, 2021. The net loss was mainly attributable to (i) impairment losses on non-current assets; (ii) certain significant amounts of impairment losses on financial assets; and (iii) impairment losses on investment in an associate. For details, please refer to the section headed “FINANCIAL REVIEW” below.

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

In this new stage of social development, the theme of women and children’s health has expanded to include comprehensive health development, with an increasingly strong demand for diversified health services, as well as new and higher requirements for medical service capabilities, service models, and service concepts. 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 health undertakings in the new era. 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 health care has further increased, triggering a significant increase in the market demand for the provision of whole-cycle, whole-process and all-round medical and health services to women and children.

Adhering to the previously formulated development strategies, our Group intends to grasp the industry opportunities by implementing the following measures in 2023:

- Leverage the attraction effect of obstetrics to meet the needs of postpartum families for women’s health care, medical aesthetics and pediatric services; and 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 for the pediatric business.
- Upgrade the customer management system to fully improve customer experience and stickiness and to continue expanding the membership base in terms of family units.
- Strengthen marketing and cooperation with insurance institutions to expand the coverage of the target customers.
- Optimize the organizational structure and talent management, and strengthen cost control in accordance with our Group’s development strategy.

## 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,			
	2022		2021	
	<i>(in thousands of RMB, except percentages)</i>			
Medical services	<b>629,757</b>	<b>99.0%</b>	621,321	98.2%
Hospital consulting services	<b>219</b>	<b>—</b>	4,620	0.7%
Others <sup>(1)</sup>	<b>6,483</b>	<b>1.0%</b>	6,624	1.1%
Total	<b><u>636,459</u></b>	<b><u>100.0%</u></b>	<b><u>632,565</u></b>	<b><u>100.0%</u></b>

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

### Medical Services

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

	Year ended December 31,	
	2022	2021
	<i>(in thousands of RMB, except percentages)</i>	
Revenue	<b>629,757</b>	621,321
Cost of revenue	<b>426,188</b>	425,351
Gross profit <sup>(1)</sup>	<b>203,569</b>	195,970
Gross profit margin <sup>(2)</sup>	<b>32.3%</b>	31.5%

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

(2) Gross profit margin is calculated by using gross profit divided 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>2022</b>		<b>2021</b>	
	<i>(in thousands of RMB, except percentages)</i>			
Pediatric services	<b>532,372</b>	<b>83.7%</b>	504,081	79.7%
Obstetric and gynecologic services	<b>97,385</b>	<b>15.3%</b>	117,240	18.5%
Total	<b><u>629,757</u></b>	<b><u>99.0%</u></b>	<b><u>621,321</u></b>	<b><u>98.2%</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>2022</b>	<b>2021</b>
<b>Our Group</b>		
<b>Inpatient services</b>		
Inpatient visits	<b>7,156</b>	8,158
Average inpatient spending per visit (RMB)	<b>29,434</b>	27,801
<b>Outpatient services</b>		
Outpatient visits	<b>239,767</b>	253,813
Average outpatient spending per visit (RMB)	<b>1,556</b>	1,399
<b>Revenue from medical services attributable to inpatients (RMB'000)</b>	<b>210,633</b>	226,801
<b>Revenue from medical services attributable to outpatients (RMB'000)</b>	<b>373,159</b>	354,979
<b>Revenue recognized for membership card sales (RMB'000)</b>	<b>45,965</b>	39,541
<b>Pediatric Services</b>		
<b>Inpatient services</b>		
Inpatient visits	<b>5,387</b>	5,834
Average inpatient spending per visit (RMB)	<b>29,624</b>	27,848

	<b>Year ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Outpatient services</b>		
Outpatient visits	<b>196,071</b>	204,535
Average outpatient spending per visit ( <i>RMB</i> )	<b>1,667</b>	1,477
<b>Revenue from medical services attributable to inpatients</b> ( <i>RMB'000</i> )	<b>159,582</b>	162,467
<b>Revenue from medical services attributable to</b> <b>outpatients (<i>RMB'000</i>)</b>	<b>326,825</b>	302,073
<b>Revenue recognized for membership card sales</b> ( <i>RMB'000</i> )	<b>45,965</b>	39,541
<b>Obstetric and gynecologic services</b>		
<b>Inpatient services</b>		
Inpatient visits	<b>1,769</b>	2,324
Average inpatient spending per visit ( <i>RMB</i> )	<b>28,858</b>	27,682
<b>Outpatient services</b>		
Outpatient visits	<b>43,696</b>	49,278
Average outpatient spending per visit ( <i>RMB</i> )	<b>1,060</b>	1,074
<b>Revenue from medical services attributable to inpatients</b> ( <i>RMB'000</i> )	<b>51,051</b>	64,334
<b>Revenue from medical services attributable to</b> <b>outpatients (<i>RMB'000</i>)</b>	<b>46,334</b>	52,906

Revenue from provision of our medical services amounted to RMB629.8 million in 2022, representing a 1.4% YoY increase and accounting for 99.0% of our Group's total revenue. This increase was primarily due to (i) a 5.1% increase and 7.1% decrease in revenue from medical services attributable to the outpatients and inpatients respectively; and (ii) a 16.2% YoY increase in revenue recognized for membership card sales.

In 2022, there were 5,387 pediatric services inpatient visits, representing a YoY decrease of 7.7%. There were also 196,071 pediatric services outpatient visits, representing a YoY decrease of 4.1%. For our obstetric and gynecologic services, there were 1,769 inpatient visits, representing a YoY decrease of 23.9%, and 43,696 outpatient visits, representing a YoY decrease of 11.3%.

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 2022 reached RMB426.2 million, representing a YoY increase of 0.2%. The increase in cost of revenue of medical services was in line with the increase in revenue from medical services attributable to outpatient visits which led to the increase in pharmaceutical costs caused by outpatient 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>2022</b>	2021
	<i>(in thousands of RMB, except percentages)</i>	
Revenue	<b>219</b>	4,620
Cost of revenue	<b>81</b>	885
Gross profit	<b>138</b>	3,735
Gross profit margin	<b>63.0%</b>	80.8%

The gross profit and the gross profit margin of our hospital consulting services for the year ended December 31, 2022 were RMB0.1 million and 63.0% respectively. The provision of hospital consulting services decreased significantly due to the decrease of services provided to a related party of the Group.

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

Our gross profit in 2022 amounted to RMB202.1 million, representing a YoY increase of 1.7%. This was primarily because of the increase in average pediatric outpatient spending per visit. Our gross profit margin increased from 31.4% in 2021 to 31.8% in 2022.

### **Selling Expenses**

Our selling expenses in 2022 amounted to RMB62.3 million, representing a YoY increase of 2.4%. This was primarily due to continuously strengthening the construction of marketing team and expanding marketing channels in order to recover the revenue scale under the normal control environment of the epidemic.

## **Administrative Expenses**

Our administrative expenses in 2022 amounted to RMB131.8 million, representing a decrease from RMB156.4 million in 2021. Such decreases were primarily due to (i) the decreased number of operating clinics which led to expenses decrease generally; and (ii) we carried out measures to optimize personnel structure so as to reduce expenses in response to COVID-19 in 2022.

## **Research and Development Expenses**

The expenses for research and development of our Group were RMB7.7 million, compared with RMB10.6 million in the same period last year. This decrease was mainly due to the reduction of research and development activities.

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

Our Group recorded the impairment losses on non-current assets in the amount of RMB155.7 million in 2022, including (i) an impairment loss on intangible assets other than goodwill of RMB105.4 million and a goodwill impairment loss of RMB33.6 million, and a property, plant and equipment impairment loss of RMB4.8 million of Chengdu New Century Women's and Children's Hospital, and (ii) an impairment loss on intangible assets other than goodwill of RMB9.8 million and a property, plant and equipment impairment losses of RMB2.1 from BNC Ao-dong Clinic, a former wholly-owned subsidiary of our Group. The impairment losses from Chengdu New Century Women's and Children's Hospital were mainly due to the continuous impact of COVID-19 and the on-going stringent epidemic control policies implemented by the local government, and the operating results of Chengdu New Century Women's and Children's Hospital's pediatric services and obstetric and gynecologic services did not meet expectations in 2022. In addition, the competition in Chengdu was more fierce and China's population experienced negative growth for the first time in 2022, therefore, we believe that the above situation will continue to affect the future operation of Chengdu New Century Women's and Children's Hospital.

As to BNC Ao-dong Clinic, the impairments losses were primarily related to assets impairment based on the lower of the assets' carrying amount and fair value less costs to sale. On June 29, 2022, BNC Women's and Children's Hospital, a subsidiary of the Company (the "**Vendor**"), and an independent third party (the "**Purchaser**") entered into a sale and purchase agreement pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase the entire equity interests of BNC Ao-dong Clinic at a total consideration of RMB5.3 million (the "**Disposal**"). As all applicable ratios calculated in respect of the Disposal were under 5.0%, the Disposal does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

## **Impairment Losses on Financial Assets**

During the reporting period, our Group recorded impairment losses on financial assets amounting to RMB126.6 million, which was primarily due to (i) expected credit losses of RMB104.5 million from Jiahua Likang (the “Jiahua Likang Expected Credit Losses”); and (ii) expected credit losses of RMB21.9 million from Beijing Bairui Kangchen Technology Development Co., Ltd. (北京栢瑞康辰科技发展有限公司).

The Jiahua Likang Expected Credit Losses was primarily due to (i) the prolonged impact of COVID-19 during 2022, especially in view of the higher transmissibility of the Omicron variant leading to the on-going stringent epidemic control policies implemented by the PRC government for majority of 2022, which had a significant adverse impact on the outpatient and surgical services provided by medical institutions operated by Jiahua Likang, in particular, the common diseases in the specialties which contribute a significant part of the income of such medical institutions mostly overlap with the diseases strictly regulated under the national epidemic controls, which significantly affected Jiahua Likang’s ability to fulfill the agreed repayment schedule; and (ii) the impact of the spread of the Omicron variant coupled with the uncertainty of the macroeconomic domestic economic environment for the majority of 2022, which adversely affected the financing and funding ability of Jiahua Likang during the period. Going forward, the Company will continue to step up its efforts and will monitor much more closely the collection of the receivables especially mentioned as above.

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

During the reporting period, our Group recorded impairment losses amounting to RMB7.9 million from its investment in Jiahua Yongsheng, which was primarily due to the prolonged impact of COVID-19 on the performance of Jianhua Yongheng, especially in view of the higher transmissibility of the Omicron variant leading to the on-going stringent epidemic control policies implemented by the PRC government for majority of 2022, leading to obstetric and gynecologic patients postponing medical consultations, inpatient surgery appointments and pregnancy plans in Qingdao New Century and Women’s and Children’s Hospital.

## **Other (Losses)/Gains — Net**

Our other net losses in 2022 amounted to RMB0.02 million as compared to other net gains of RMB3.2 million in 2021. Our other net gains in 2021 were a net result of gains from change in leases and retirement of fixed assets and intangible assets while such amount decreased in 2022.

## **Finance Income and Costs**

Our finance income in 2022 increased from RMB 3.1 million in 2021 to RMB 9.7 million, which was mainly the result of a significant increase in foreign exchange gains and a modest decrease in interest income of approximately RMB1.0 million. Our finance costs in 2022 decreased from RMB16.7 million in 2021 to RMB13.0 million, which was mainly a result of (i) foreign exchange gains of RMB7.6 million in 2022 as compared to foreign exchange losses of RMB2.3 million in 2021, and (ii) a decrease in interest expenses and finance charges paid/payable for lease liabilities amounting to RMB3.8 million.

## **Income Tax Expense**

Our income tax expense in 2022 amounted to RMB1.7 million, representing a YoY decrease of 93.4%. This was mainly because the reversal of deferred tax liabilities related to the impairment losses accrued for intangible assets of Chengdu New Century Women's and Children's Hospital during the year.

Due to the loss-making result for the years ended December 31, 2022 and 2021, the effective tax rate is not applicable.

## **Loss for the year ended December 31, 2022**

Our loss attributable to the owners of our Company for the year ended December 31, 2022 amounted to RMB297.7 million, as compared to a net loss attributable to the owners of our Company of RMB101.5 million for the year ended December 31, 2021.

## **FINANCIAL POSITION**

### **Inventories**

Our inventories increased by 17.7% from RMB21.1 million as of December 31, 2021 to RMB24.9 million as of December 31, 2022 primarily due to the increase of requisite medical inventories as a result of the growth of business of the Group's medical institutions.

### **Trade Receivables**

Our trade receivables decreased by 14.5% from RMB39.4 million as of December 31, 2021 to RMB33.6 million as of December 31, 2022 primarily driven by the collection of trade receivables from commercial insurance companies and social security had been improved in 2022.

## **Trade Payables**

Our trade payables increased by 45.0% from RMB27.4 million as of December 31, 2021 to RMB39.8 million as of December 31, 2022 primarily due to the purchase and consumption of medicines and consumables increased significantly at the end of 2022, while the payments for these stocks were not due as of December 31, 2022.

## **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, 2022, we had cash and cash equivalents of RMB226.1 million (December 31, 2021: RMB223.8 million). We did not have any interest-bearing borrowings as of December 31, 2022 (2021: nil).

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

We did not have any significant investments, material acquisitions or material disposals in the year ended December 31, 2022.

Through the acquisition of 12.47% equity interests of Jiahua Yongsheng in April 2022, our Group indirectly held 12.47% minority equity interests in Qingdao New Century Women's and Children's Hospital. The acquisition is in line with our Group's development strategies. Details of the above acquisition are set out in the announcements dated January 30, 2022 and March 29, 2022, respectively.

### **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 2022 was RMB28.8 million (2021: RMB13.2 million), and the increase was mainly attributable to the investment in the equity interests of Jiahua Yongsheng amounting to RMB18.7 million in 2022.

## **INDEBTEDNESS**

### **Borrowings**

As of December 31, 2022, we did not have any borrowings (2021: 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 recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. On December 31, 2022, 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, 2022, 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, 2022, none of our assets had been pledged.

### **Contractual Obligations**

As of December 31, 2022, 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, 2022, our gearing ratio, calculated as total borrowings divided by total equity, is not applicable (2021: Not applicable).



## **EMPLOYEE AND REMUNERATION POLICY**

On December 31, 2022, our Group had 1,246 employees (2021: 1,401 employees). Total staff remuneration expenses including Directors' remuneration in 2022 amounted to RMB312.2 million (2021: RMB322.5 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**

Our Board does not recommend the payment of a final dividend for the year ended December 31, 2022 (2021: nil).

## **OTHER INFORMATION**

### **Annual General Meeting**

The AGM of our Company will be held on Monday, May 22, 2023. A notice convening the AGM will be published on our Company's website and the Stock Exchange's website and dispatched to the Shareholders 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 Wednesday, May 17, 2023 to Monday, May 22, 2023, 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 Tuesday, May 16, 2023.

## **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 14 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, 2022, 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, 2022.

## **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, 2022. 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, 2022, 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, 2022, 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. GUO Qizhi. 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, 2022 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 balance sheet and related notes thereto in this results announcement for the year ended December 31, 2022 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, 2022. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance 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 2022 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 Ao-dong Clinic”	Beijing New Century Ao-dong Clinic Outpatient Service Co. Ltd. (北京新世紀奧東門診部有限公司), formerly known as Beijing Meihua Women and Children Clinic Co. Ltd. (北京美華婦兒門診部有限公司), a company incorporated in the PRC with limited liability on May 15, 2014, a former wholly-owned subsidiary of our Company;
“BNC Children’s Hospital”	Beijing New Century Children’s Hospital Co., Ltd. (北京新世紀兒童醫院有限公司), a company incorporated in the PRC with limited liability on December 13, 2002, which is a non-wholly-owned subsidiary of our Company;
“BNC Women’s and Children’s Hospital”	Beijing New Century Women’s and Children’s Hospital Co. Ltd. (北京新世紀婦兒醫院有限公司), a company incorporated in the PRC with limited liability on January 4, 2012, which is a 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 14 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;
“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 10 to the Listing Rules;
“Mr. Zhou”	Mr. Jason ZHOU, chairman of our Board, chief executive officer, executive Director and controlling Shareholder;
“Qingdao New Century Women’s and Children’s Hospital”	Qingdao New Century Women’s and Children’s Hospital Co., Ltd. (青島新世紀婦兒醫院有限公司), a company incorporated in the PRC with limited liability on December 15, 2015, and is wholly-owned by Jiahua Yongsheng;
“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, 2023

*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. GUO Qizhi, 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.*