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## DINGDANG HEALTH TECHNOLOGY GROUP LTD.

叮噹健康科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 09886)

### PROFIT ALERT

This announcement is made by Dingdang Health Technology Group Ltd. (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended December 31, 2022 (the “**FY2022**”), the Group expects that the relevant financial results for FY2022 may be recorded as follows:

- (1) an increase of approximately RMB1.590 billion in the fair value losses on the Company’s shares with preferred rights (which were preference shares issued to pre-IPO investors) as financial liabilities at fair value through profit or loss (“**FVTPL**”) in FY2022 as compared to the year ended December 31, 2021 (the “**FY2021**”), resulting in an increase in net loss for FY2022 of approximately not less than 83% as compared to the net loss of RMB1.599 billion for FY2021. The Company accounted for the shares with preferred rights as financial liabilities at FVTPL. The shares with preferred rights have been automatically converted into ordinary shares upon the completion of the Company’s listing of its Shares on The Stock Exchange of Hong Kong Limited (the “**Listing**”), and no further loss or gain on fair value changes is expected to be recognized afterwards. Accordingly, the Company expects its net liability position to turn into net asset position, and the reconciling item is non-cash and does not result in cash outflow; and
- (2) excluding the effect of fair value losses on financial liabilities at FVTPL related to the shares with preferred rights, share-based payments and listing expenses, due to improvements in operating efficiency, the adjusted net loss <sup>Note (1)</sup> for FY2022 narrowed by approximately not less than 50% as compared to the adjusted net loss of RMB330 million for FY2021.

*Note (1):* As supplement, the Company also includes the adjusted net loss (non-International Financial Reporting Standards (“IFRS”) measure) as an additional financial indicator, which is not required by, or presented in accordance with IFRS. The Company believes that the adjusted net loss (non-IFRS measure) facilitates comparisons of operating performance from period to period and company to company. The Company believes that the adjusted net loss (non-IFRS measure) provides useful information to investors and others in understanding and evaluating consolidated results of operations of the Company in the same manner as it helps the management of the Company. However, the presentation of the adjusted net loss (non-IFRS measure) of the Company may not be comparable to similarly titled indicators presented by other companies. The use of adjusted net loss (non-IFRS measure) has limitations as an analytical tool, and Shareholders and potential investors should not consider it in isolation from, or as a substitute for analysis of, results of operations or financial conditions of the Company as reported under IFRS.

The Company defines adjusted net loss (non-IFRS measure) as net loss for the year adjusted by adding back fair value losses on financial liabilities at FVTPL related to the shares with preferred rights issued to pre-IPO investors, share-based payments and listing expenses. The Company accounts for the shares with preferred rights as financial liabilities at FVTPL. The shares with preferred rights have been automatically converted into ordinary shares upon the completion of the Company’s Listing of its Shares, and no further loss or gain on fair value changes has been recognized afterwards. Accordingly, the Company expects its net liability position to turn into net asset position, and the reconciling item is non-cash and does not result in cash outflow. In addition, the Company accounts for the compensation cost from share-based payment transactions with employees, and the reconciling item is non-cash and does not result in cash outflow. Further, the Company excludes listing expenses, which arise from activities relating to the Listing.

Currently, the Company is still in the process of finalizing its annual results for FY2022, which are subject to possible adjustments upon further review. The information contained in this announcement is only a preliminary assessment by the Board based on the figures and information currently available, and is not audited or reviewed by the auditor or the audit committee of the Company. Shareholders and potential investors of the Company should refer to and carefully read the annual results announcement of the Company for the year ended December 31, 2022, which is expected to be published in March 2023.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**DINGDANG HEALTH TECHNOLOGY GROUP LTD.**  
**YANG WENLONG**  
*Chairman*

Hong Kong, March 3, 2023

*As of the date of this announcement, the executive Directors are Mr. YANG Wenlong, Mr. XU Ning, Mr. YU Lei and Mr. YU Qinglong, the non-executive Directors are Ms. CAI Li and Ms. LIAN Suping, and the independent non-executive Directors are Mr. ZHANG Shouchuan, Mr. FAN Zhenhong and Mr. JIANG Shan.*