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**Gaush Meditech Ltd**

**高视医疗科技有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2407)**

## **PROFIT UPDATE IN RESPECT OF THE FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2022**

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

The board (the “**Board**”) of directors (“**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that based on the information currently available and a preliminary review of the unaudited consolidated management accounts of the Group for the financial year ended December 31, 2022 (“**FY2022**”), it is expected that the Group will record (i) a net loss of approximately RMB335.3 million to RMB370.5 million for FY2022, representing an increase in net loss by approximately 75.0% to 93.4% as compared to that of approximately RMB191.6 million for the financial year ended December 31, 2021 (“**FY2021**”); and (ii) an adjusted net profit (non-IFRS measure as defined below) of approximately RMB149.3 million to RMB165.1 million for FY2022, representing a decrease by approximately 3.6% to 12.8% as compared to that of approximately RMB171.3 million for FY2021.

Based on the information currently available to the Board, the Board believes that:

- (a) the increase in net loss was primarily due to the combining impact of (i) fair value losses on the convertible redeemable preferred shares of the Company (the “**Preferred Shares**”) and (ii) the foreign exchange losses relating to the Preferred Shares denominated in USD as a result of depreciation of RMB exchange rate against USD in 2022 (together as “**Fair Value Related Losses on Preferred Shares**”) of approximately RMB447.1 million to RMB494.1 million as compared to that of approximately RMB337.7 million for FY2021. The Preferred Shares have been

converted into ordinary shares of the Company upon the Company's listing of its shares on The Stock Exchange of Hong Kong Limited (the "**Listing**"), and no such Fair Value Related Losses on Preferred Shares is expected to be recognized afterward.

- (b) the decrease in adjusted net profit (non-IFRS measure) was primarily due to (i) an increase in research and development expenses by approximately 70% for FY2022 as compared to that of approximately RMB23.5 million for FY2021; and (ii) a slightly decrease in revenue by approximately 3% for FY2022 as compared to that of approximately RMB1,298.2 million for FY2021, as a result of the resurgence of COVID-19 in China in 2022.

The Board wishes to highlight that "adjusted net profit (non-IFRS measure)" is not required by or presented in accordance with the International Financial Reporting Standards ("**IFRS**"). Adjusted net-profit (non-IFRS measure) is defined by the Group as net profit/(loss) (i) adding back fair value losses on Preferred Shares and listing expenses and (ii) adding back/deducting foreign exchange losses/gains on Preferred Shares. The Board believes that the "adjusted net profit (non-IFRS measure)" would provide investors and management with greater visibility as to the underlying performance of the business operations of the Group and facilitate comparison of operating performance of other companies in the industry and that of the Group by eliminating the effect of fair value losses and foreign exchange losses/gains on Preferred Shares and listing expenses, which are either non-operating or non-recurring expenses of the Group. In particular, (i) fair value losses and foreign exchange losses/gains on Preferred Shares are non-cash in nature and do not result in cash out-flow, and given that the Preferred Shares were converted into ordinary shares of the Company upon the Listing, the Group does not expect to record such losses or gains after the Listing; and (ii) listing expenses are expenses relating to the global offering of the Company.

As of the date of this announcement, the Company is still in the process of finalizing the consolidated annual results of the Group for FY2022. The information contained in this announcement is based on a preliminary review of the unaudited consolidated management accounts of the Group and information currently available to the Board for FY2022, which has not been reviewed or audited by the auditors of the Company or reviewed by the audit committee of the Board. Shareholders and potential investors of the Company are advised to read carefully the annual results announcement of the Company for FY2022, which is expected to be published by the end of March 2023.

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

By order of the Board  
**Gaush Meditech Ltd**  
**Mr. Gao Tieta**  
*Chairman and Executive Director*

Hong Kong, March 16, 2023

*As of the date of this announcement, the Board comprises Mr. Gao Tieta as Chairman and executive Director, Mr. Zhang Jianjun, Mr. Liu Xinwei and Mr. Zhao Xinli as executive Directors, Dr. David Guowei Wang and Mr. Shi Long as non-executive Directors, and Mr. Feng Xin, Mr. Wang Li-Shin and Mr. Chan Fan Shing as independent non-executive Directors.*