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GUSHENGTANG HOLDINGS LIMITED

固生堂控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 2273)

**POSITIVE PROFIT ALERT
FOR THE SIX MONTHS ENDED JUNE 30, 2023**

This announcement is made by GUSHENGTANG HOLDINGS LIMITED (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, 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 (the “**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 six months ended June 30, 2023 (“**1H2023**”), it is expected that the Group will record (a) a net profit for 1H2023 in the range of approximately RMB90 million to RMB95 million as compared with the restated net profit for the six months ended June 30, 2022 (“**1H2022**”) of approximately RMB53.6 million, representing an increase by approximately 68% to 77%; and (b) an increase in adjusted net profit for 1H2023 by approximately 55% to 65% as compared with that for 1H2022.

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

- (a) the increase in net profit was primarily due to our business expansion including (i) the increase in the number of physicians in our online healthcare platforms and (ii) the growth in the number and geographic coverage of our offline medical institutions; and

- (b) the increase in adjusted net profit (as defined by the Group as the net profit eliminating the effect of equity-settled share-based payment in relation to the share options granted under the pre-IPO share option plan approved and adopted by the Company on March 31, 2021 (the “**Adjusted Item**”)) was mainly due to the effect of the business expansion of our online healthcare platforms and the increase in revenue generated by our new and existing offline medical institutions.

The Board wishes to highlight that “adjusted net profit” is not defined under the Hong Kong Financial Reporting Standards. The Board believes that the “adjusted net profit” would provide useful information to potential investors and others in understanding and evaluating the operating results of the Group by eliminating the effect of the Adjusted Item, which is either non-operating or non-recurring expenses of the Group.

Before the restatement, the Group recorded a net profit of approximately RMB55.8 million for 1H2022. The Group has implemented the Amendments to Hong Kong Accounting Standard 12 — *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* with effect from January 1, 2023 and restated the figures for 1H2022. After the restatement, the restated net profit for 1H2022 is expected to be approximately RMB53.6 million. The above restated financial information has not been audited or reviewed by auditors.

As the Company is still in the process of finalizing the results for 1H2023, the information contained in this announcement is based on the management’s preliminary review of the unaudited consolidated management accounts of the Group and information currently available to the Board for 1H2023, which has not been reviewed or audited by the auditors of the Company, Shareholders and potential investors of the Company are advised to read carefully the interim results announcement of the Company for 1H2023, which is expected to be published by August 2023.

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

By order of the Board
GUSHENGTANG HOLDINGS LIMITED
固生堂控股有限公司
TU Zhiliang
Chairman of the Board

Hong Kong, August 3, 2023

As at the date of this announcement, the Board of the Company comprises Mr. TU Zhiliang as Chairman and executive Director, Mr. HUANG Jingsheng, Mr. XU Yongjiu, Mr. LIU Kanghua and Mr. GAO Jian as non-executive Directors, Ms. JIN Xu, Mr. LI Tie and Mr. WU Taibing as independent non-executive Directors.