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固生堂

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, 2024

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, 2024 ("**IH2024**"), it is expected that the Group will record (a) a revenue for 1H2024 in the range of approximately RMB1,331 million to RMB1,381 million as compared with the revenue for the six months ended June 30, 2023 ("**IH2023**") of RMB986.1 million, representing an increase by approximately 35% to 40%; (b) a net profit for 1H2024 in the range of approximately RMB103 million to RMB108 million as compared with the net profit for IH2023 of RMB93.2 million, representing an increase by approximately 11% to 16%; and (c) an adjusted net profit for IH2024 in the range of RMB144 million to RMB149 million as compared with the adjusted net profit for 1H2023 of RMB101.8 million, representing an increase by approximately 41% to 46%.

Based on the information currently available to the Board, the Board believes that the increase in revenue, net profit and adjusted net profit (as defined by the Group as the net profit eliminating the effect of equity-settled share-based payment in relation to (i) the share options granted under the pre-IPO share option plan approved and adopted by the Company on March 31, 2021, (ii) the share awards granted under the restricted share award scheme (existing shares) adopted by the Board on September 9, 2022, and (iii) the share options and share awards granted under the share option scheme and the restricted share award scheme (new shares), respectively, both adopted by the Company on December 7, 2022 (the "**Adjusted Items**")) were primarily due to the increase in customer visits to our existing offline medical institutions, which is attributable to the wide-recognition of our "GUSHENGTANG" brand resulting from our continuous effort on providing comprehensive and excellent traditional Chinese medicine healthcare services; and our business expansion including the increase in the number of physicians in our online healthcare platforms and offline medical institutions and the growth in the number and geographic coverage of our 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 Items, which is non-operating in nature and is not indicative of the actual operating performance of the Group.

As the Company is still in the process of finalizing the results for 1H2024, 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 1H2024, 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 1H2024, which is expected to be published by August 2024.

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, July 25, 2024

As at the date of this announcement, the Board comprises Mr. TU Zhiliang as Chairman and executive Director, Mr. HUANG Jingsheng, 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.