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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

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 financial year ended December 31, 2023 (“**FY2023**”), it is expected that the Group will record (a) a net profit for FY2023 in the range of approximately RMB245 million to RMB255 million, as compared with the restated net profit for the financial year ended December 31, 2022 (“**FY2022**”) of RMB181.2 million, representing an increase by approximately 35% to 41%; and (b) an adjusted net profit for FY2023 in the range of approximately RMB295 million to RMB305 million as compared with the restated adjusted net profit for FY2022 of RMB198.4 million, representing an increase by approximately 49% to 54%.

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

- (i) 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
- (ii) 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.

Before the restatement, the Group recorded a net profit and an adjusted net profit of approximately RMB183.6 million and RMB200.8 million, respectively for FY2022. 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 FY2022. After the restatement, the restated net profit and the restated adjusted net profit for FY2022 is expected to be approximately RMB181.2 million and RMB198.4 million, respectively. The above restated financial information has not been audited or reviewed by auditors.

As the Company is still in the process of finalizing the annual results for FY2023, 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 FY2023, 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 annual results announcement of the Company for FY2023, which is expected to be published by March 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, February 20, 2024

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. 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.