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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)**

**VOLUNTARY ANNOUNCEMENT  
ACQUISITION OF 100% OF EQUITY INTERESTS  
IN QIANCHENG NURSING HOME  
AND HUIYUANTANG SINOPHARM**

This announcement is made by GUSHENGTANG HOLDINGS LIMITED (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) on a voluntary basis and wishes to keep the shareholders and potential investors of the Company informed of the latest business developments of the Group.

**ACQUISITION OF EQUITY INTERESTS IN QIANCHENG NURSING HOME**

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on November 15, 2022, Guangdong Gushengtang Traditional Chinese Medicine Health Technology Co., Ltd. (廣東固生堂中醫養生健康科技股份有限公司) (“**Guangdong Gushengtang**”), a subsidiary of the Company, entered into an equity transfer agreement (the “**Equity Transfer Agreement of Qiancheng Nursing Home**”) with the shareholders (the “**Sellers of Qiancheng Nursing Home**”) of Shanghai Qiancheng Nursing Home Co., Ltd. (上海千誠護理院有限公司) (“**Qiancheng Nursing Home**”), pursuant to which Guangdong Gushengtang agreed to acquire, and the Sellers of Qiancheng Nursing Home agreed to sell, 100% of equity interest in Qiancheng Nursing Home (the “**Acquisition of Qiancheng Nursing Home**”) at a consideration of RMB42,000,000 (the “**Consideration of Qiancheng Nursing Home**”).

Upon completion of the Acquisition of Qiancheng Nursing Home, Qiancheng Nursing Home will become an indirect wholly-owned subsidiary of the Company and the financial results of Qiancheng Nursing Home will be consolidated into the consolidated financial statements of the Group. The Company will make further announcement(s) to update the latest progress of the Acquisition of Qiancheng Nursing Home as and when necessary in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

## INFORMATION ABOUT QIANCHENG NURSING HOME

Qiancheng Nursing Home is principally engaged in healthcare and hygiene services in Shanghai. As at the date of this announcement, Qiancheng Nursing Home has been qualified as a medical institution designated by the relevant medical insurance authority that is permitted to treat patients covered by public medical insurance programs.

## REASONS FOR AND BENEFITS OF THE ACQUISITION OF QIANCHENG NURSING HOME

Qiancheng Nursing Home is principally engaged in healthcare and hygiene services in Shanghai. The Acquisition of Qiancheng Nursing Home is in line with the Group's expansion strategies to expand its offline medical institution network through acquisition. The Company considers that the Acquisition of Qiancheng Nursing Home will (i) strengthen the Group's market share in Shanghai and (ii) bring synergy effects among Qiancheng Nursing Home and other offline medical institutions and online medical platform of the Group.

The Consideration of Qiancheng Nursing Home was determined between Guangdong Gushengtang and the Sellers of Qiancheng Nursing Home after arm's length negotiation with reference to, amongst others, the historical performance and prospects of Qiancheng Nursing Home. The Directors consider that the Consideration of Qiancheng Nursing Home represents a fair and reasonable valuation of Qiancheng Nursing Home. The Consideration of Qiancheng Nursing Home will be funded by the net proceeds from the global offering and self-owned idle funds of the Group.

Having considered the above, the Directors are of the view that the Equity Transfer Agreement of Qiancheng Nursing Home and the Acquisition of Qiancheng Nursing Home are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## ACQUISITION OF EQUITY INTERESTS IN HUIYUANTANG SINOPHARM

The Board is pleased to announce that on November 15, 2022, Guangdong Gushengtang, a subsidiary of the Company, entered into an equity transfer agreement (the "**Equity Transfer Agreement of Huiyantang Sinopharm**") with the shareholders (the "**Sellers of Huiyantang Sinopharm**") of Hangzhou Huiyantang Sinopharm Co., Ltd. (杭州回元堂國藥館有限公司) ("**Huiyantang Sinopharm**"), pursuant to which Guangdong Gushengtang agreed to acquire, and the Sellers of Huiyantang Sinopharm agreed to sell 100% of equity interest in Huiyantang Sinopharm (the "**Acquisition of Huiyantang Sinopharm**") at a consideration of RMB14,460,000 (the "**Consideration of Huiyantang Sinopharm**").

Upon completion of the Acquisition of Huiyantang Sinopharm, Huiyantang Sinopharm will become an indirect wholly-owned subsidiary of the Company and the financial results of Huiyantang Sinopharm will be consolidated into the consolidated financial results of the Group. The Company will make further announcement(s) to provide the latest progress of the Acquisition of Huiyantang Sinopharm as and when necessary in accordance with the Listing Rules.

## **INFORMATION ON HUIYUANTANG SINOPHARM**

Huiyuantang Sinopharm is principally engaged in medical hygiene services in Hangzhou. As at the date of this announcement, Xiaoshan Jiangsi Road Traditional Chinese Medicine Clinic of Hangzhou Huiyuantang Sinopharm Co., Ltd. (杭州回元堂國藥館有限公司蕭山江寺路中醫門診部), a branch of Huiyuantang Sinopharm, has been qualified as a medical institution designate by the relevant medical insurance authority that is permitted to treat patients covered by public medical insurance programs.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION OF HUIYUANTANG SINOPHARM**

Huiyuantang Sinopharm is mainly engaged in medical hygiene services in Hangzhou. The Acquisition of Huiyuantang Sinopharm is in line with the Group's expansion strategies to expand our offline medical institution network through acquisition. The Company is of the view that the Acquisition of Huiyuantang Sinopharm will (i) strengthen the Group's market share in Hangzhou and (ii) bring synergy effects among Huiyuantang Sinopharm and other offline medical institutions and online medical platforms of the Group.

The Consideration of Huiyuantang Sinopharm was determined between Guangdong Gushengtang and the Sellers of Huiyuantang Sinopharm after arm's length negotiation with reference to, amongst others, the historical performance and prospects of Huiyuantang Sinopharm. The Directors are of the view that the Consideration of Huiyuantang Sinopharm represents a fair and reasonable valuation of Huiyuantang Sinopharm. The Consideration of Huiyuantang Sinopharm will be funded by the net proceeds from the global offering and self-owned idle funds of the Group.

Having considered the above, the Directors are of the view that the Equity Transfer Agreement of Huiyuantang Sinopharm and the Acquisition of Huiyuantang Sinopharm are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Sellers of Qiancheng Nursing Home, Qiancheng Nursing Home, the Sellers of Huiyuantang Sinopharm and Huiyuantang Sinopharm is a third party independent of the Company and its connected persons (as defined under the Listing Rules). Therefore, the Acquisition of Qiancheng Nursing Home and the Acquisition of Huiyuantang Sinopharm do not constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As none of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the Acquisition of Qiancheng Nursing Home and the Acquisition of Huiyuantang Sinopharm exceed 5%, the Acquisition of Qiancheng Nursing Home and the Acquisition of Huiyuantang Sinopharm do not constitute notifiable transactions of the Company under Chapter 14 of the Listing Rules.

**As completions of the Acquisition of Qiancheng Nursing Home and the Acquisition of Huiyuantang Sinopharm are conditional upon the satisfaction of the conditions precedents set out in the Equity Transfer Agreement of Qiancheng Nursing Home and the Equity Transfer Agreement of Huiyuantang Sinopharm, the Acquisition of Qiancheng Nursing Home and the Acquisition of Huiyuantang Sinopharm may or may not proceed. 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  
**GUSHENGTANG HOLDINGS LIMITED**  
固生堂控股有限公司  
**Tu Zhiliang**  
*Chairman of the Board*

Hong Kong, November 15, 2022

*As at the date of this announcement, the Board of the Company comprises Mr. TU Zhiliang as Chairman and executive Director, Mr. JIANG Xiaodong, 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.*