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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)

**COMPLETION OF TOP-UP PLACING OF EXISTING SHARES AND
SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

Overall Coordinators and Placing Agents

Morgan Stanley



Reference is made to the announcement of GUSHENGTANG HOLDINGS LIMITED (the “Company”) dated March 22, 2023 (the “Announcement”) in relation to, among other things, the Placing and the Subscription. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

COMPLETION OF THE PLACING AND THE SUBSCRIPTION

The Board is pleased to announce that completion of the Placing and the Subscription took place on March 24, 2023 and March 30, 2023, respectively.

All conditions of the Placing have been fulfilled and completion of the Placing took place on March 24, 2023. A total of 10,400,000 Sale Shares have been successfully placed at the Placing Price of HK\$52.67 per Sale Share to not less than six Placees procured by the Placing Agents.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placees, together with their respective ultimate beneficial owners, are (i) third parties independent of the Company and its connected persons; and (ii) third parties independent of, and not acting in concert with, the Vendor, its associates and persons acting in concert with the Vendor. None of the Placees of the Sale Shares has become a substantial shareholder of the Company upon completion of the Placing.

Further, all conditions of the Subscription have been fulfilled and completion of the Subscription took place on March 30, 2023. A total of 10,400,000 Subscription Shares (equal to the number of the Sale Shares placed under the Placing) were subscribed by the Vendor at the Subscription Price of HK\$52.67 per Subscription Share, which is the same as the Placing Price. The Subscription Shares represent approximately 4.32% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares upon completion of the Subscription.

USE OF PROCEEDS FROM THE SUBSCRIPTION

The Company received total net proceeds from the Subscription of approximately HK\$539.61 million. The Company intends to apply the net proceeds as follows:

- (i) approximately 60% or HK\$323.77 million for the expansion of offline medical institutions, including:
 - (a) upgrades and renovation of facilities and equipment of existing medical institutions;
 - (b) establishment and acquisition of new medical institutions;
- (ii) approximately 20% or HK\$107.92 million for upgrading and deepening the integration of online healthcare platforms and enhancing connection and interaction between offline and online business of the Group;

- (iii) approximately 10% or HK\$53.96 million for diversifying the Company's product portfolio, including but not limited to developing in-hospital preparations with the assistance of contract research organizations and establishing an in-house preparation center; and
- (iv) approximately 10% or HK\$53.96 million for standardizing healthcare solutions and improving the Company's information technology systems.

EFFECT OF THE PLACING AND THE SUBSCRIPTION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (1) immediately before completion of the Placing and the Subscription; (2) immediately after completion of the Placing and before the Subscription; and (3) immediately after the completion of the Placing and the Subscription (as at the date of this announcement) is summarized as follows:

	Immediately before completion of the Placing and the Subscription		Immediately after completion of the Placing and before the Subscription		Immediately after completion of the Placing and the Subscription (as at the date of this announcement)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
The Vendor and its concert parties						
— Vendor's direct voting rights (Note 1)	26,832,533	11.65	16,432,533	7.13	26,832,533	11.14
— Mr. Tu's voting right via his wholly-owned investment company, Celestial City Investment Limited (Note 1)	3,211,244	1.39	3,211,244	1.39	3,211,244	1.33
— Mr. Tu's voting rights via the family trust arrangement (Note 2)	18,733,795	8.13	18,733,795	8.13	18,733,795	7.78
— Mr. Tu's voting rights via the voting right entrustment deeds (Note 3)	24,415,105	10.60	24,415,105	10.60	24,415,105	10.14
Sub-total	73,192,677	31.77	62,792,677	27.25	73,192,677	30.40
Placees	—	—	10,400,000	4.51	10,400,000	4.32
Other Shareholders	157,203,781	68.23	157,203,781	68.23	157,203,781	65.28
Total	<u>230,396,458</u>	<u>100</u>	<u>230,396,458</u>	<u>100</u>	<u>240,796,458</u>	<u>100</u>

Notes:

- (1) Each of the Vendor and Celestial City is wholly owned by Wumianshan Ltd., which is further wholly owned by Mr. Tu. Therefore, Mr. Tu is deemed to be interested in the 30,043,777 Shares directly held by the Vendor and Celestial City.
- (2) Dream True is wholly owned by Tu Family Holdings Limited, which is further wholly owned by Frandor Limited. Frandor Limited is wholly-owned by Trident Trust Company (Singapore) Pte. Limited, which is the trustee of the TZL Family Trust, of which Mr. Tu is the protector and the power holder. As such, Mr. Tu is deemed to be interested in the 18,733,795 Shares directly held by Dream True.
- (3) Pursuant to the Voting Deeds, Mr. Tu has the voting rights attached to 24,415,105 Shares directly held by Gushengtang Ltd., Shiyimianshan Holdings Limited, Shiermianshan Holdings Limited, Shisanmianshan Holdings Limited, Shisimianshan Holdings Limited, Shiwumianshan Holdings Limited, Yijiakang Technology Holdings Limited, Yijiajian Technology Holdings Limited, Yijiale Technology Holdings Limited and Yijiaan Technology Holdings Limited.
- (4) The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures to two decimal places.

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, March 30, 2023

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.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.