

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.*

*This announcement is not, and is not intended to be, an offer of securities of the Company for sale, or the solicitation of an offer to buy securities of the Company, in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States, except pursuant to an exemption under, or in a transaction not subject to the U.S. Securities Act. This announcement and the information contained herein are not for distribution, directly or indirectly, in or into the United States. No public offer of the securities referred to herein is being or will be made in the United States.*



**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)**

**PROPOSED ISSUE OF CONVERTIBLE BONDS  
UNDER GENERAL MANDATE**

**Financial Adviser to the Company**



**THE SUBSCRIPTION AGREEMENT**

On 26 January 2026 (after trading hours), the Company entered into the Subscription Agreement with the Relevant Investor, pursuant to which the Company has conditionally agreed to issue, and the Relevant Investor has conditionally agreed to subscribe for, the Convertible Bonds in the aggregate principal amount of US\$110,000,000 (equivalent to approximately HK\$857,263,000).

The initial Conversion Price is HK\$37.77 per Share, which represents (i) a premium of approximately 22.23% over the closing price of HK\$30.90 per Share as quoted on the Stock Exchange on 26 January 2026 (being the trading day on which the Subscription Agreement was signed); and (ii) a premium of approximately 22.11% over the average closing price of HK\$30.93 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 23 January 2026.

Subject to completion of the issue of the Convertible Bonds, the net proceeds from the offering of the Convertible Bonds, after deducting estimated expenses payable in connection with offering of the Convertible Bonds, will be approximately US\$108.7 million (equivalent to approximately HK\$847.1 million). The Company intends to use the proceeds from the Subscription for (i) share repurchase to optimise capital structure and enhance shareholder value, (ii) the development of advanced artificial intelligence systems with applications in traditional Chinese medicine diagnostics, health management, and the preservation and transmission of expert knowledge and (iii) general working capital purposes. For further details, please refer to the paragraph headed “*Use of Proceeds*” of this announcement.

Assuming all the Conversion Shares are converted in full at the initial Conversion Price of HK\$37.77 per Conversion Share in respect of (i) the principal amount of the Convertible Bonds and (ii) the accrued interest from the preceding interest payment date up to the last date of the Conversion Period ending the seventh (7th) day prior to the Maturity Date, an aggregate of 22,915,071 Conversion Shares will be issued, which represent approximately 9.78% of the issued share capital of the Company as at the date of this announcement and approximately 8.91% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares (assuming no Shares will be issued other than the Conversion Shares after the date of this announcement).

The Conversion Shares will be allotted and issued by the Company pursuant to the General Mandate. The offering of the Convertible Bonds and the issue of the Conversion Shares by the Company are not subject to further Shareholders’ approval.

The Convertible Bonds will not be listed on the Stock Exchange or any other stock exchange. An application will also be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares, and the Company shall comply with CSRC Rules and complete the CSRC Filings in connection with the issue of the Convertible Bonds.

The Company has appointed CICC as its financial adviser in relation to the issuance of the Convertible Bonds.

The Relevant Investor is Ginkgo Health Investment Ltd. Ginkgo Health Investment Ltd., an exempted company incorporated under the laws of the Cayman Islands, is wholly-owned by Boyu Capital Growth Fund I, Pte. Ltd., a private equity fund which is advised by its investment adviser, Boyu Capital Group Management Ltd. Boyu Capital Group Management Ltd. provides catalytic capital and strategic support for leading companies in sectors including technology, healthcare, consumer and sustainable energy globally.

**Shareholders and potential investors should note that completion of the Subscription is subject to the fulfilment of the conditions precedent as set out in the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **THE SUBSCRIPTION AGREEMENT**

On 26 January 2026 (after trading hours), the Company entered into the Subscription Agreement with the Relevant Investor, pursuant to which the Company has conditionally agreed to issue, and the Relevant Investor has conditionally agreed to subscribe for the Convertible Bonds in the aggregate principal amount of US\$110,000,000 (equivalent to HK\$857,263,000).

The principal terms of the Subscription Agreement are summarised below:

### **Date**

26 January 2026

### **Parties**

- (1) the Company, as issuer; and
- (2) Ginkgo Health Investment Ltd., as the Relevant Investor.

### **Subject matter**

Pursuant to the Subscription Agreement, the Company has conditionally agreed to issue, and the Relevant Investor has conditionally agreed to subscribe for the Convertible Bonds in the aggregate principal amount of US\$110,000,000 (equivalent to HK\$857,263,000) at the initial Conversion Price of HK\$37.77 per Conversion Share.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Relevant Investor is an Independent Third Party.

### **Conditions precedent**

Completion of the Subscription shall be subject to and conditional upon:

1. the Relevant Investor having completed its due diligence carried out in connection with the issuance of the Convertible Bonds to its satisfaction;
2. the Relevant Investor having obtained its investment committee approval to subscribe for the Convertible Bonds;
3. since the date of this Agreement and prior to the Closing Date, there having been no Event of Default or Early Redemption Event;
4. since the date of this Agreement and prior to the Closing Date, there having been no material adverse effect;
5. the Relevant Investor having received evidence that the NDRC has given its approval in respect of the issue of the Convertible Bonds and has issued the Certificate of Examination and Registration of Foreign Debts Borrowed by Enterprises, with both such approval and certificate remaining in full force and effect on the Closing Date;
6. the Stock Exchange having granted approval for the listing of, and permission to deal in, the Conversion Shares to be issued on conversion of the Convertible Bonds, and such approval remaining valid and effective on the Closing Date;
7. on the Closing Date:
  - (a) the fundamental representations and warranties of the Company in the Subscription Agreement being true, accurate and correct at, and as if made on such date;
  - (b) the representations and warranties of the Company in the Subscription Agreement (other than the fundamental representations and warranties of the Company) qualified as to materiality being true, accurate and correct at, and as if made on such date;
  - (c) the representations and warranties of the Company in the Subscription Agreement (other than the fundamental representations and warranties of the Company) not qualified as to materiality being true, accurate and correct at, and as if made on such date in all material respects; and

- (d) the Company having performed, in all material respects, all of its obligations as specified in the Subscription Agreement to be performed on or before such date.

The Relevant Investor may waive satisfaction of any of the above conditions, other than condition precedent 2 above. If the conditions above are neither waived by the Relevant Investor nor satisfied on or prior to 27 February 2026 (or such other date as the Company and the Relevant Investor may mutually agree in writing) (the “**Long Stop Date**”), each party to the Subscription Agreement may by written notice to the other party after the Long Stop Date terminate the Subscription Agreement with immediate effect, and no party thereto will have any claim against the other for costs, damages, compensation or otherwise (other than in respect of any rights, obligations or liabilities accrued prior to such termination).

## **Termination**

Notwithstanding anything contained in the Subscription Agreement and in addition to the termination right above arising after the Long Stop Date, the Relevant Investor may, by written notice to the Company given at any time prior to payment of the Issue Price for the Convertible Bonds to the Company on the Closing Date, in its sole discretion terminate the Subscription Agreement in any of the following circumstances only:

- (a) the Company fails to comply with certain undertakings contained in the Subscription Agreement, and such failure is not remedied within fifteen (15) business days of the Relevant Investor giving written notice to the Company;
- (b) breach of any representation or warranty set forth in the Subscription Agreement, which breach would cause any of the conditions set forth in “*Conditions precedent*” above to not be satisfied on or before the Long Stop Date and cannot be cured, or if curable, is not cured within fifteen (15) business days after written notice of such breach is given to the Company by the Relevant Investor; or
- (c) any of the Events of Default or Early Redemption Events (other than events (1) and (2) set out under “*Event of Default*” in the paragraph headed “*Principal Terms of the Convertible Bonds*” below) has occurred and is continuing (had the Convertible Bonds been in issuance as of the date of the Subscription Agreement).

The Subscription Agreement may also be terminated by mutual agreement, or by one party upon a force majeure event if the other party’s failure or delay in fulfilling or performing any term of the Subscription Agreement is caused by or results from the force majeure event, which remains uncured for a period of sixty (60) days.

## **Completion**

Completion of the Subscription will take place on 12 February 2026 or such other date as the Company and the Relevant Investor may mutually agree in writing.

At completion of the Subscription, the Company shall issue the Convertible Bonds to the Relevant Investor, and the Relevant Investor shall pay to the Company an aggregate amount equal to the Issue Price attributable to the Convertible Bonds to be subscribed for by the Relevant Investor.

## **Director nomination rights**

Subject to any mandatory requirements of any law applicable to the Company from time to time, and for so long as the Relevant Investor continuously satisfies the condition that: the sum of (a) the total number of underlying Conversion Shares issuable upon exercise of the conversion right under the Convertible Bonds then outstanding and held by the Relevant Investor and its affiliates and (b) the total number of Shares then held by the Relevant Investor and its affiliates, exceeds 5% of the Company's then total issued and outstanding Shares on an as-converted basis and subject also to satisfaction of the relevant qualification and suitability requirements applicable to a director of a company listed on the Stock Exchange under the Listing Rules and applicable law, the Relevant Investor shall be entitled to, from time to time, nominate an individual as a Director (the "**Investor Director**") and to remove and replace such Investor Director from time to time.

The Company agrees and acknowledges to take, all actions (so far as is within its powers), and to do, or cause to be done all things necessary (so far as within its powers), to give effect to the above arrangement.

## **Undertakings of the Relevant Investor**

The Relevant Investor agrees and undertakes to the Company that, unless otherwise disclosed to and agreed in writing by the Company, on and from the date of the Subscription Agreement up to and including the Closing Date, other than the subscription of any of the Convertible Bonds by such Relevant Investor and/or any of its affiliates pursuant to the terms of the Subscription Agreement, it shall not, and shall procure that none of its affiliates shall, acquire, hold or deal in, any Shares or relevant securities (as defined in the Takeovers Code) of the Company.

## **Non-competition**

The Relevant Investor undertakes that, from the Closing Date and up to and including the second (2nd) anniversary of the later of (i) the Maturity Date; or (ii) the first date on which the Relevant Investor ceases to hold any Share or Convertible Bond, the Relevant Investor

shall not invest in any person or entity that primarily engages in the business of operating any traditional Chinese medicine clinics or Class I traditional Chinese medicine hospitals (中醫一級醫院) located in the cities in the PRC or in any overseas country in which the Company's board of directors has formally decided to expand the Company's business to, in each case, that are in direct competition with the Company.

### **Strategic co-operation**

For so long as the Relevant Investor holds or controls any Convertible Bonds and/or Shares, the Relevant Investor undertakes to use its reasonable best efforts to (i) facilitate the exploration of potential strategic cooperation opportunities between the Company and the portfolio companies of the Relevant Investor and its affiliates; and (ii) assist the Company in exploring business development opportunities in key cities in the PRC, including engaging in exchanges or assisting in the organisation of related negotiations and cooperation to support the formation and advancement of potential cooperation opportunities (the “**Strategic Co-Operation**”).

### **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

The Directors consider that the new funding through the issuance of the Convertible Bonds combined with the in-depth healthcare and consumer experience of the Relevant Investor and its affiliates' portfolio companies will create synergies across the Group which assists the Group to strengthen its leading position in the Greater China region and Singapore and bring unparalleled experiences and expertise in expanding the Group's presence in Mainland China, Singapore, and other overseas markets in order to achieve profitable long term growth. The Strategic Co-operation will allow the Group to work closely with the Relevant Investor and its affiliates' portfolio companies to develop its core businesses, penetrate and expand into the healthcare and consumer markets, remain steadfast in its core value of serving customers with “conscientious physicians, reliable pharmaceuticals (良心醫，放心藥)”, improve operational efficiency and further enhance the Company's corporate governance.

The terms and conditions of the Subscription Agreement and the Convertible Bonds were agreed after arm's length negotiations between the Company and the Relevant Investor having taken into account the benefits arising from the Strategic Co-Operation. The Directors consider that the terms of the Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

The principal terms of the Convertible Bonds are summarised below:

Issuer:	The Company
Principal Amount:	US\$110,000,000 (equivalent to HK\$857,263,000)
Issue Price:	100% of the principal amount of the Convertible Bonds
Maturity Date:	The date falling five (5) years after the Issue Date.
Interest:	2% per annum, payable semi-annually in arrear
Status:	The Convertible Bonds will constitute direct, unsubordinated, unconditional and (subject to the negative pledge covenant as described below) unsecured obligations of the Company and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves. The Convertible Bonds will at all times rank senior to the share capital of the Company from time to time and at least <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Company, save for such obligations as may be preferred by mandatory provisions of law.
Form and Denomination:	The Convertible Bonds are issued in registered form in the specified denomination of US\$100,000 each or integral multiples thereof.
Negative Pledge:	For as long as any Convertible Bond remains outstanding and has not been redeemed, the Company will not, and will procure that none of its Principal Subsidiaries (as defined in the terms and conditions of the Convertible Bonds) will, create or permit to subsist any encumbrance upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any financial indebtedness unless (i) such encumbrance is a permitted encumbrance, (ii) at the same time or prior thereto the Bonds are secured equally and rateably therewith as shall be approved by the Bondholders or (iii) such encumbrance is considered by the Bondholders to be not materially adverse to the interests of the Bondholders.

Conversion Period: Subject to and upon compliance with the terms and conditions of the Convertible Bonds, each Bondholder may exercise Conversion Right attaching to any Convertible Bond, at the option of the holder thereof, at any time on and after the date that is forty-one (41) days after the Issue Date up to the close of business on the date falling seventh (7th) day prior to the Maturity Date (both days inclusive) or if notice requiring redemption has been given in respect of such Convertible Bonds before the Maturity Date, then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice (both days inclusive), provided that a Bondholder shall not be able to exercise (or be required to exercise) its conversion right where as a result of, and to the extent that, the issue of Conversion Shares to the Bondholder the Company would cease to satisfy the public float requirement under the Listing Rules if and to the extent such requirement is applicable.

Conversion Price: The initial Conversion Price shall be HK\$37.77 per Conversion Share (subject to adjustments in certain circumstances as described below).

Adjustment Events: The Conversion Price shall from time to time be subject to adjustment upon occurrence of the following events:

- (1) an alteration to the nominal value of the Shares as a result of consolidation, subdivision and reclassification;
- (2) (i) any issuances of Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves, or (ii) in the case of an issue of Shares by way of a scrip dividend where the aggregate value of such Shares so issued as determined by reference to the then Current Market Price (as defined in the terms and conditions of the Convertible Bonds) per Share on the date of announcement of the terms of such scrip dividend exceeds the amount of the relevant cash dividend;

- (3) any distribution to Shareholders, excluding any Relevant Cash Dividend;
- (4) rights issues of shares, or of options or warrants over the Shares at less than the Relevant Share Price;
- (5) rights issues of other securities (other than those referred to in paragraph (4) above) to all or substantially all Shareholders;
- (6) otherwise than as referred to in paragraph (4) above, the Company issues Shares or grants options, warrants or other rights to acquire Shares at a price per Share which is less than the Relevant Share Price;
- (7) otherwise than as referred to in paragraphs (4), (5) or (6) above, the Company or any of its subsidiaries or (at the direction or request of or pursuant to any arrangements with the Company or any of its subsidiaries) any other company, person or entity issues any securities (other than the Convertible Bonds) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription at a consideration per Share which is less than the Relevant Share Price;
- (8) any modification of the rights of conversion, exchange or subscription attaching to any securities referred to in paragraph (7) above (other than in accordance with the terms (including terms as to adjustment)) so that following such modification the consideration per Share is less than the Relevant Share Price;
- (9) any securities issuances by the Company or any of its subsidiaries or (at the direction or request of or pursuant to any arrangements with the Company or any subsidiary) any other company, person or entity under an offer pursuant to which the Shareholders are entitled to acquire such securities;

- (10) for so long as the Relevant Investor, being the initial Bondholder, holds or controls any Convertible Bonds, (i) if the board of directors of the Company (subject to its fiduciary duty) confirm in writing that the Strategic Co-Operation has been executed and meets its expectations, a one-time downward adjustment of the then Conversion Price of the Convertible Bonds of not more than five per cent. (5%); provided that, any such adjusted new Conversion Price of the Convertible Bonds shall not be lower than the lower limit permitted by the Listing Rules; or (ii) if the Strategic Co-Operation has not been executed or has been executed but does not meet its expectations, subject to the prior written consent of both the Company and the Relevant Investor, a one-time upward adjustment of the then Conversion Price of the Convertible Bonds of two point five per cent. (2.5%); and
- (11) any other events that the Company determines should lead to an adjustment of the Conversion Price, the adjustment of which shall be fair and reasonable as determined by an independent investment bank.

Relevant Cash Dividend:

If and whenever the Company shall pay any Relevant Cash Dividend to Shareholders (excluding any Scrip Dividend), the Conversion Price shall not be adjusted, and the Company shall on the twentieth (20th) business day after such Relevant Cash Dividend is paid to the Shareholders (the “**Dividend Cash Payment Date**”) pay each of the Bondholder an amount in cash calculated by the following formula (the “**Dividend Cash Equivalent Amount**”):

$$A = \frac{B}{C} \times D$$

where:

A = the Dividend Cash Equivalent Amount;

B = the principal amount of the Convertible Bonds held by such Bondholder (with the United States dollar principal amount of the Convertible Bonds translated into Hong Kong dollars at the relevant exchange rate);

C = the Conversion Price (in HK\$) in effect at the Dividend Cash Payment Date; and

D = the Relevant Cash Dividend per Share received by the Shareholders (excluding any Scrip Dividend).

Conversion Shares:

The number of Conversion Shares to be issued on a conversion of the Convertible Bonds will be determined by dividing the principal amount of the Convertible Bonds to be converted plus any accrued but unpaid interest of the Convertible Bond up to but excluding the conversion date to be converted (translated into HK\$ equivalent at a fixed exchange rate of HK\$7.7933 = US\$1.00) by the Conversion Price in effect on the conversion date.

Transfer:

The Convertible Bonds may not be transferred (i) to any transferee that is not an affiliate of the relevant Bondholder without the prior approval of the Company and (ii) to any transferee which is a “connected person” (as defined in the Listing Rules) of the Company without the prior approval of the Stock Exchange as applicable.

Redemption upon Maturity:

Unless previously redeemed, converted or purchased and cancelled, the Company will redeem all the outstanding Convertible Bonds held by a Bondholder on the Maturity Date at an amount calculated as follows: (a) 120% of the aggregate principal amount of such outstanding Convertible Bonds held by such Bondholder; plus (b) any accrued but unpaid interest on such outstanding Convertible Bonds; minus (c) if applicable, the sum of each Dividend Cash Equivalent Amount paid to such outstanding Convertible Bonds.

Default Redemption:

At any time following the occurrence of an Event of Default (as defined below), any Bondholder shall, for so long as such Event of Default is continuing, have the right at its sole option (but is not obliged) to give notice to the Company that all or some of such Bondholder's Convertible Bonds shall immediately become due and repayable and require the Company to redeem (within seven (7) business days of the Bondholders giving a redemption notice to the Company) the applicable Convertible Bonds in full at an amount (the "**Default Redemption Amount**") calculated as follows: (a) the aggregate principal amount of the Convertible Bonds subject to the redemption; plus (b) any accrued but unpaid interest on such Convertible Bonds (which shall become a debt due and payable in cash); minus (c) if applicable, the sum of each Dividend Cash Equivalent Amount paid to such Convertible Bonds, *provided that*, for so long as limb (2) of the Event of Default is continuing, the Default Redemption Amount shall be calculated as follows: (a) 120% of the aggregate principal amount of such outstanding Convertible Bonds held by such Bondholder; plus (b) any accrued but unpaid interest on such outstanding Convertible Bonds (which shall become a debt due and payable in cash); minus (c) if applicable, the sum of each Dividend Cash Equivalent Amount paid to such outstanding Convertible Bonds.

Event of Default:

Each of the following events is an event of default (an "**Event of Default**") which entitles any Bondholders to elect that all or some of such Bondholders' Convertible Bonds shall immediately become due and repayable:

- (1) the default in the payment of any principal, premium (if any), interest or any other amount payable due in respect of the Convertible Bonds on the due date for such payment unless (in the case of interest) payment of such interest together with any default interest thereon is paid within thirty (30) consecutive days of the due date;
- (2) any failure by the Company to deliver the Conversion Shares as and when the Conversion Shares are required to be delivered, unless such failure is due to a technical or administrative error and is remedied by the Company within 5 (five) Trading Days;

- (3) the Company defaults in the performance of any covenant under the Convertible Bonds, subject to a cure period of thirty (30) days (if the breach is capable of remedy);
- (4) an involuntary case or other proceeding is commenced against the Company or any Principal Subsidiary with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any Principal Subsidiary or for any substantial part of the property and assets of the Company or any Principal Subsidiary and such involuntary case or other proceeding remains undismissed and unstayed for a period of sixty (60) consecutive days (or such other period as agreed between the Company and the Bondholders), or an order for relief is entered against the Company or any Principal Subsidiary under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;
- (5) the Company or any Principal Subsidiary (i) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (ii) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any Principal Subsidiary or for all or substantially all of the property and assets of the Company or any Principal Subsidiary or (iii) effects any general assignment for the benefit of creditors (other than any of the foregoing that arises from any solvent liquidation or restructuring of a Principal Subsidiary in the ordinary course of business that shall result in the net assets of such Principal Subsidiary being transferred to or otherwise vested in the Company or any of its subsidiary); and

- (6) it is, or has become, unlawful for the Company to perform or comply with any of its material obligations in respect of the Transaction Documents.

Bondholders' Redemption  
Option:

The Company will, at the option of any Bondholder, redeem all or some of such Bondholder's Convertible Bonds on the date falling on the 3rd (third) anniversary of the Issue Date (if such date is not a business day, the next succeeding business day) (the "**Put Option Date**") at an amount equal to the following amount in Hong Kong dollars (based on the exchange rate on the Put Option Date): (a) the aggregate principal amount of the Convertible Bonds the subject of the redemption; plus (b) any accrued and unpaid interest on such Convertible Bonds up to but excluding the Put Option Date (which shall become a debt due and payable in cash); minus (c) if applicable, the sum of each Dividend Cash Equivalent Amount paid to such Convertible Bonds. The option is only exercisable by the Bondholder depositing the Put Option Notice (as defined in the terms and conditions of the Convertible Bonds) no later than 3 months before the Put Option Date.

Early Redemption Option:

At any time following the occurrence of an Early Redemption Event, any Bondholder shall, for so long as such Early Redemption Event is continuing, have the right at its sole option (but is not obliged) by not later than sixty (60) days following the later of (i) the occurrence of such Early Redemption Event or (ii) the date on which such Bondholder is being notified by the Company of such Early Redemption Event to require the Company to redeem the Convertible Bonds in full at an aggregate amount calculated as follows: (a) the aggregate principal amount of the Convertible Bonds subject to the redemption; plus (b) any accrued and unpaid interest on such Convertible Bonds (which shall become a debt due and payable in cash); minus (c) if applicable, the sum of each Dividend Cash Equivalent Amount paid to such Convertible Bonds.

Each of the following events is an event (an “**Early Redemption Event**”) which entitles any Bondholder to elect that all or some of such Bondholder’s Convertible Bonds shall immediately become due and repayable:

- (1) any representation, statement or warranty made or deemed to be made or repeated by the Company in Transaction Documents or in any other document delivered by or on behalf of the Company under or in connection with any Transaction Document is or proves to have been incorrect or misleading when made or deemed to be made and such breach would result in a material adverse effect;
- (2) the Company or any subsidiary of the Company fails to comply with any applicable law that has or would have a material adverse effect on the Company’s ability to comply with its payment obligations under the Convertible Bonds;
- (3) the Company fails to complete the filings with CSRC in accordance with CSRC Rules;
- (4) the Company or any of the Principal Subsidiary ceases to carry on the whole or a substantial part of its business as carried on the Issue Date, or it is, or has become, unlawful for the Company or any of the Principal Subsidiary to carry on the whole or a substantial part of its business as carried on the Issue Date, in each case as would result in a material adverse effect;
- (5) a Change of Control Event has occurred;
- (6) the Shares cease to be listed on the Stock Exchange or if the Shares are suspended for the trading on the Stock Exchange (for any reason) for more than forty-five (45) consecutive trading days;

- (7) Mr. Tu Zhiliang (涂志亮) fails to acquire additional Shares in an aggregate amount of at least HK\$50,000,000 whether through purchases on the secondary market or otherwise as approved by the Bondholders by 31 December 2028 (any Shares acquired by Mr. Tu Zhiliang (涂志亮) anytime in 2025 and/or 2026 shall be credited toward such aggregate amount); or
- (8) any Group Company (as defined in the Terms and Conditions) receives any notice of any action by any competent governmental authority concerning its actual or alleged violation of any applicable Anti-Bribery Laws, Anti-Money Laundering Laws and Sanctions (each as defined in the Subscription Agreement), which violation results or would reasonably be expected to result in a material adverse effect.

Issuer's Mandatory Conversion Right: At any time after the date falling on the 1st (first) anniversary of the Issue Date, during any thirty (30) consecutive full Trading Days (the "**Measuring Period**") and for so long as any Convertible Bond remains outstanding, if (a) for at least twenty (20) full Trading Days, (i) the Closing Prices of the Shares on such Trading Days are all at least 150% of the Conversion Price then applicable, (ii) the daily trading volumes of the Shares on the Hong Kong Stock Exchange on such Trading Days are all at least 1,100,000 Shares, and (b) no Equity Conditions Failure shall have occurred, the Company may within ten (10) Trading Days immediately following the end of the Measuring Period, deliver an irrevocable mandatory conversion notice (the "**Mandatory Conversion Notice**") to each of the Bondholders to mandatorily convert all but not less than all of the outstanding Bonds held by each of the Bondholders at the Conversion Price in effect on the date of the Mandatory Conversion Notice (the "**Mandatory Conversion Date**"), which shall be not be earlier than the date that is fifteen (15) Trading Days after the date of the delivery of the Mandatory Conversion Notice or later than the date that is thirty (30) Trading Days after the date of the delivery of the Mandatory Conversion Notice.

Ranking:

Conversion Shares issued upon exercise of conversion rights attached to the Convertible Bonds shall be fully-paid and free and clear of any encumbrance. Such Conversion Shares shall (i) in all other respects rank *pari passu* with the Shares then in issue; (ii) be duly listed and be admitted to trading on the Stock Exchange and be freely transferable; and (iii) carry the same rights set out in the memorandum of association and the articles of association of the Company relating to the Shares and shall entitle the holders thereof to participate in full in all dividends and other distributions paid or made thereon.

Listing:

The Convertible Bonds will not be listed on the Stock Exchange or any other stock exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

## CONVERSION PRICE AND CONVERSION SHARES

The initial Conversion Price of HK\$37.77 per Share (subject to adjustments) represents:

- (1) a premium of approximately 22.23% over the closing price of HK\$30.90 per Share as quoted on the Stock Exchange on 26 January 2026 (being the trading day on which the Subscription Agreement was signed); and
- (2) a premium of approximately 22.11% over the average closing price of HK\$30.93 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 23 January 2026.

The Conversion Price was determined with reference to the terms and conditions of the Convertible Bonds (including the redemption options) and was negotiated on an arm's length basis between the Company and the Relevant Investor. The Directors consider that the Conversion Price is fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

The number of Conversion Shares to be issued on a conversion of the Convertible Bonds will be determined by dividing the principal amount of the Convertible Bonds to be converted plus any accrued but unpaid interest of the Convertible Bond up to but excluding the conversion date to be converted (translated into HK\$ equivalent at a fixed exchange rate of HK\$7.7933 = US\$1.00) by the Conversion Price in effect on the conversion date.

Based on the initial Conversion Price in respect of (i) the principal amount of the Convertible Bonds and (ii) the accrued interest from the preceding interest payment date up to the last date of the Conversion Period ending the seventh (7th) day prior to the Maturity Date, a maximum number of 22,915,071 Conversion Shares shall be allotted and issued upon full conversion of the Convertible Bonds, which represent:

- (1) approximately 9.78% of the issued share capital of 234,371,051 Shares as at the date of this announcement; and
- (2) approximately 8.91% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares (assuming no Shares will be issued other than the Conversion Shares after the date of this announcement).

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 234,371,051 Shares in issue.

The table below sets out a summary of the shareholding structure of the Company (i) before the conversion of the Convertible Bonds and (ii) immediately after the issue and allotment of the Conversion Shares assuming the Convertible Bonds are fully converted into the Shares at the initial Conversion Price of HK\$37.77 per Share (subject to adjustments) in respect of (i) the principal amount of the Convertible Bonds and (ii) the accrued interest from the preceding interest payment date up to the last date of the Conversion Period ending the seventh (7th) day prior to the Maturity Date, and on the assumption that there will be no other change to the share capital of the Company between the date of this announcement and the completion of the conversion of the Convertible Bonds in full save for the issue and allotment of the Conversion Shares as a result of the conversion of the Convertible Bonds in full.

Name of Shareholder	As at the date of this announcement		Upon full conversion of the Convertible Bonds at the initial Conversion Price of HK\$37.77 per Share	
	Number of Shares	Approximate % shareholding	Number of Shares	Approximate % shareholding
Wumianshan Ltd. <i>(Note 1)</i>	33,344,605	14.23	33,344,605	12.96
Action Thrive Group Limited <i>(Note 1)</i>	30,133,361	12.86	30,133,361	11.71
Foresight Fund Management Company (睿遠基金管理有限公司)	19,093,300	8.15	19,093,300	7.42
Dream True Limited <i>(Note 2)</i>	18,733,795	7.99	18,733,795	7.28
Tu Family Holdings Limited <i>(Note 2)</i>	18,733,795	7.99	18,733,795	7.28
Frاندor Limited <i>(Note 2)</i>	18,733,795	7.99	18,733,795	7.28
Trident Trust Company (Singapore) Pte. Limited <i>(Note 2)</i>	18,733,795	7.99	18,733,795	7.28
The Relevant Investor	–	–	22,915,071	8.91
Public Shareholders	160,938,772	68.67	160,938,772	62.55
<b>Total <i>(Note 3)</i></b>	<b>234,371,051</b>	<b>100.00</b>	<b>257,286,122</b>	<b>100.00</b>

1. Each of Action Thrive Group Limited and Celestial City Investments Limited is wholly owned by Wumianshan Ltd., which is wholly owned by Mr. Tu Zhiliang (涂志亮). Therefore, Wumianshan Ltd. is deemed to be interested in the Shares directly held by Action Thrive Group Limited and Celestial City Investments Limited.
2. Dream True Limited is a company incorporated in the British Virgin Islands, and 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 Zhiliang (涂志亮) is the protector and the power holder. As such, each of Tu Family Holdings Limited, Frandor Limited and Trident Trust Company (Singapore) Pte. Limited is deemed to be interested in the Shares held by Dream True Limited.
3. As disclosed in notes 1 and 2 above, as the relevant Shareholders disclosed in the table are entities with the same beneficial owner, being Mr. Tu Zhiliang (涂志亮), the relevant individual shareholding disclosed contained overlapping shareholding and the total figures are accordingly not equal to the apparent total of the individual items.

Accordingly, based on the information available to the Company and to the best knowledge of the Directors, the Company will maintain sufficient public float upon the full conversion of the Convertible Bonds.

## **INFORMATION ON THE RELEVANT INVESTOR**

The Relevant Investor is Ginkgo Health Investment Ltd.

Ginkgo Health Investment Ltd., an exempted company incorporated under the laws of the Cayman Islands, is wholly-owned by Boyu Capital Growth Fund I, Pte. Ltd., a private equity fund which is advised by its investment adviser, Boyu Capital Group Management Ltd. Boyu Capital Group Management Ltd. provides catalytic capital and strategic support for leading companies in sectors including technology, healthcare, consumer and sustainable energy globally.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Relevant Investor and its ultimate beneficial owner(s) are Independent Third Parties.

## **INFORMATION ON THE GROUP**

The Company is an investment holding company primarily engaged in the provision of traditional Chinese medicine medical and health services. The Company operates two segments. The Provision of Healthcare Solutions segment provides traditional Chinese medicine medical and health services through a combination of offline and online medical service networks, combining traditional Chinese medicine diagnosis and treatment methods with Western medicine. The Sale of Healthcare Products segment mainly includes the sale of medicinal herbs and nourishment. The Company mainly operates its businesses in the domestic market in the PRC.

## **USE OF PROCEEDS**

The gross proceeds from the issue of the Convertible Bonds will be US\$110,000,000. The net proceeds from the offering of the Convertible Bonds, after deducting estimated expenses payable in connection with offering of the Convertible Bonds, will be approximately US\$108.7 million (equivalent to approximately HK\$847.1 million), representing a net issue price of approximately HK\$36.97 per Conversion Share based on the initial Conversion Price in respect of (i) the principal amount of the Convertible Bonds and (ii) the accrued interest from the preceding interest payment date up to the last date of the Conversion Period ending the seventh (7th) day prior to the Maturity Date. The net proceeds from the issue of the Convertible Bonds are intended to be applied towards (i) share repurchase to optimise capital structure and enhance shareholder value, (ii) the development of advanced artificial intelligence systems with applications in traditional Chinese medicine diagnostics, health management, and the preservation and transmission of expert knowledge and (iii) general working capital purposes.

## **GENERAL MANDATE FOR THE ISSUE OF THE CONVERTIBLE BONDS AND THE CONVERSION SHARES**

The General Mandate was granted to the Board by resolution of the Shareholders passed at the annual general meeting held on 20 June 2025 under which, among other things, the Board may allot, issue and deal with up to 47,393,098 new Shares (representing 20% of the total issued Shares as at the date of the annual general meeting). As at the date of this announcement and immediately prior to the entering into of the Subscription Agreement, the Company has not issued any Shares under the General Mandate. The Conversion Shares to be issued upon the conversion of the Convertible Bonds will be allotted and issued pursuant to the General Mandate. The offering of the Convertible Bonds and the issue of the Conversion Shares by the Company are not subject to further Shareholders' approval.

## **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS**

The Company did not conduct any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

## **CSRC FILINGS**

The Company shall comply with CSRC Rules and complete the CSRC Filings in connection with the issue of the Convertible Bonds.

**Shareholders and potential investors should note that completion of the Subscription is subject to the fulfilment of the conditions precedent as set out in the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Board”	the board of Directors;
“Bond Certificate(s)”	the individual bond certificate(s) that represent the Convertible Bonds;
“Bond Instrument”	the bond instrument in respect of the Convertible Bonds executed by the Company on the Closing Date;
“Bondholder(s)”	holder(s) of the Convertible Bonds;
“Change of Control Event”	(a) the Permitted Holders together cease to be the single largest shareholder of the Company; or  (b) Mr. Tu Zhiliang (涂志亮) for any reason ceases to be the chairman of the board of directors of the Company;
“CICC”	China International Capital Corporation Hong Kong Securities Limited, the financial adviser to the Company in relation to the issuance of the Convertible Bonds. CICC is a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities;
“Closing Date”	the date for completion of the Subscription, being 12 February 2026, or such other date as the Company and the Relevant Investor may mutually agree in writing;
“Company”	GUSHENGTANG HOLDINGS LIMITED, a company incorporated in the Cayman Islands with limited liability, the shares of which are currently listed on the Main Board of the Stock Exchange (stock code: 2273);
“Conversion Price”	the conversion price of the Convertible Bonds, initially being HK\$37.77 per Conversion Share (subject to adjustments);

“Conversion Right”	the right of a Bondholder to convert any Convertible Bond into the Shares;
“Conversion Share(s)”	Shares to be issued upon conversion of the Convertible Bond;
“Convertible Bonds”	the US\$110,000,000 aggregate principal amount of 2% unsecured convertible bonds with a 5-year tenor to be issued by the Company to the Relevant Investor pursuant to the Subscription Agreement;
“Corporate Transaction”	a sale, conveyance or other disposition of all or substantially all of the property or business of the Company or any Principal Subsidiary thereof, or a merger or consolidation with or into any other person or other business transaction or series of transactions as a result of which the shareholders immediately prior to the transaction would hold less than a majority of the voting interests of the Company or any Principal Subsidiary thereof after the transaction;
“CSRC”	China Securities Regulatory Commission;
“CSRC Archive Rules”	the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定) issued by the CSRC on 24 February 2023 (as amended, supplemented or otherwise modified from time to time);
“CSRC Filing Report(s)”	the filing report(s) of the Company in relation to the issuance of the Convertible Bonds, any transactions contemplated by the Subscription Agreement, including any amendments, supplements and/or modifications thereof, to be submitted to the CSRC, pursuant to the CSRC Filing Rules;
“CSRC Filing Rules”	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) and supporting guidelines issued by the CSRC (effective from 31 March 2023), as amended, supplemented or otherwise modified from time to time;

“CSRC Filings”	any letters, filings, correspondences, communications, documents, responses, undertakings and submissions in any form, including any amendments, supplements and/or modifications thereof, made or to be made to the CSRC, relating to or in connection with the issuance of the Convertible Bonds pursuant to the CSRC Filing Rules and other applicable laws, regulations and requirements of the CSRC (including, without limitation, the CSRC Filing Report);
“CSRC Rules”	the CSRC Filing Rules and the CSRC Archive Rules;
“Director(s)”	the director(s) of the Company;
“Equity Conditions”	<p>(i) on each day during the period beginning one month prior to the applicable date of determination and ending on and including the applicable date of determination (the “<b>Equity Conditions Measuring Period</b>”), all of the Shares issuable upon conversion of the Convertible Bonds are freely tradable under all applicable securities laws;</p> <p>(ii) on each day during the Equity Conditions Measuring Period, the Shares (including all of the Shares issuable upon conversion of the Convertible Bonds) are listed or designated for quotation (as applicable) and shall not have been suspended from trading on the Stock Exchange nor shall delisting or suspension by the Stock Exchange have been threatened (with a reasonable prospect of delisting occurring) or pending for any reason; (iii) all Shares issuable upon conversion of the Convertible Bonds may be issued in full without violating the Listing Rules; (iv) on each day during the Equity Conditions Measuring Period, no public announcement of a pending, proposed or intended Corporate Transaction shall have occurred which has not been abandoned, terminated or consummated; (v) the Company shall have no knowledge of any fact that would reasonably be expected to cause the Shares issuable upon conversion of the Convertible Bonds to not be freely tradable; and (vi) on each day during the Equity Conditions Measuring Period, the Company shall not have breached any provision of any of the terms and conditions of the Convertible Bonds, the Subscription Agreement or the Bond Instrument;</p>

“Equity Conditions Failure”	with respect to a particular date of determination, that on any day during the period commencing twenty (20) trading days immediately prior to such date of determination, any of the Equity Conditions has not been satisfied or waived in writing by the relevant Bondholder;
“General Mandate”	the general mandate to allot, issue and deal with up to 47,393,098 Shares granted to the Directors by resolution of the Shareholders passed at the annual general meeting of the Company held on 20 June 2025;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which, as far as the Directors are aware after having made all reasonable enquiries, is/are not a connected person(s) of the Company within the meaning of the Listing Rules;
“Issue Date”	the date on which the Convertible Bonds are originally issued;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Maturity Date”	the date which is five (5) years after the Issue Date;
“Permitted Holders”	(a) Mr. Tu Zhiliang (涂志亮) or any entity controlled by Mr. Tu Zhiliang (涂志亮); (b) any child (excluding stepchild), spouse or parent of Mr. Tu Zhiliang (涂志亮), or any entity wholly owned by any of the foregoing persons, if, and only if, such person in this paragraph (b) has irrevocably and unconditionally delegated all voting power attached to the Shares and other equity securities of the Company directly or indirectly held by it to Mr. Tu Zhiliang (涂志亮) or any entity controlled by Mr. Tu Zhiliang (涂志亮) exclusively; and/or (c) any trust, corporation, partnership or other entity, of which the direct or indirect beneficiaries, equity holders, partners or owners are any of Mr. Tu Zhiliang (涂志亮) and/or such other persons referred to in paragraph (a);

“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“Relevant Cash Dividend”	the cash dividend or distribution declared by the Company, including any cash dividend in respect of which there is any Scrip Dividend;
“Relevant Investor”	Ginkgo Health Investment Ltd.;
“Relevant Share Price”	the closing price of the Shares on 23 January 2026 (being HK\$30.82);
“Scrip Dividend”	any Shares issued in lieu of the whole or any part of any Relevant Cash Dividend being a dividend which the Shareholders concerned would or could otherwise have received;
“Share(s)”	ordinary share(s) of US\$0.0001 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription of the Convertible Bonds under the Subscription Agreement;
“Subscription Agreement”	the subscription agreement dated 26 January 2026 entered into between the Company and the Relevant Investor in relation to the Subscription;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Transaction Documents”	the Subscription Agreement, the Bond Certificate(s), the terms and conditions of the Convertible Bonds, the Bond Instrument and any other document designated as a Transaction Document for the purposes of the Subscription Agreement in writing by the Relevant Investor and the Company from time to time;

“TZL Family Trust”	the trust arrangement established by Celestial City Investments Limited as the settlor, with Mr. Tu Zhiliang (涂志亮) as the protector, Trident Trust Company (Singapore) Pte. Limited as the trustee and Celestial City Investments Limited, Mr. Tu and Mr. Tu’s family members as beneficiaries;
“US\$”	United States dollars, the lawful currency of the United States of America;
“%”	per cent.

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, 26 January 2026

*As at the date of this announcement, the Board of the Company comprises Mr. TU Zhiliang as Chairman and executive Director, Mr. HUANG Jingsheng and Mr. LIU Kanghua as non-executive Directors, Ms. WANG Lan, Mr. LI Tie and Mr. ZHONG Weihe as independent non-executive Directors.*