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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Extrawell Pharmaceutical Holdings Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**EXTRAWELL PHARMACEUTICAL HOLDINGS LIMITED**

**(精優藥業控股有限公司)\***

*(incorporated in Bermuda with limited liability)*

**(Stock code: 858)**

**RE-ELECTION OF DIRECTORS**

**GRANT OF GENERAL MANDATES**

**TO ALLOT AND ISSUE NEW SHARES AND**

**REPURCHASED BY THE COMPANY OF ITS OWN SHARES**

**AND**

**NOTICE OF ANNUAL GENERAL MEETING**

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A notice of the Annual General Meeting of Extrawell Pharmaceutical Holdings Limited to be held at Monaco Room, Basement 1, Regal Hong Kong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Friday, 16 September 2005 at 3:00 p.m. is set out on pages 16 to 20 to this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event by no later than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person if you so wish.

\* *For identification purposes only*

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Annual General Meeting”	the annual general meeting of the Company to be convened and held on Friday, 16 September 2005 at 3:00 p.m. at Monaco Room, Basement 1, Regal Hong Kong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong, the notice of which is set out on pages 16 to 20 of this circular
“associates”	has the meaning as defined under the Listing Rules
“Board”	the board of Directors
“Bye-Laws”	the bye-laws of the Company, as amended from time to time
“Code”	the Hong Kong Code on Takeovers and Mergers
“Companies Act”	the Companies Act 1981 of Bermuda
“Company”	Extrawell Pharmaceutical Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Extension Mandate”	a general and unconditional mandate to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution at the Annual General Meeting

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## DEFINITIONS

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“Latest Practicable Date”	26 July 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Repurchase Mandate”	a general and unconditional mandate to the Directors to enable them to repurchase the Shares the aggregate nominal amount of which does not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution at the Annual General Meeting
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“%”	per cent.



**EXTRAWELL PHARMACEUTICAL HOLDINGS LIMITED**

**(精優藥業控股有限公司)\***

*(incorporated in Bermuda with limited liability)*

*Directors:*

Mao Yu Min (*Chairman*)

Ho Chin Hou

Ho Yu Ling

Li Qiang

Xie Yi

Fang Lin Hu<sup>#</sup>

Xue Jing Lun<sup>#</sup>

Jin Song<sup>#</sup>

<sup>#</sup> *Independent non-executive Directors*

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

*Head office and principal place  
of business in Hong Kong:*

Suites 4701-04, 47th Floor

RBS Tower, Times Square

1 Matheson Street

Causeway Bay

Hong Kong

29 July 2005

*To the shareholders*

Dear Sir or Madam,

**RE-ELECTION OF DIRECTORS  
GRANT OF GENERAL MANDATES  
TO ALLOT AND ISSUE NEW SHARES AND  
REPURCHASED BY THE COMPANY OF ITS OWN SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you information regarding the resolutions to be proposed at the Annual General Meeting and to give you notice of the Annual General Meeting. Resolutions to be proposed at the Annual General Meeting include ordinary resolutions relating to the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, and the re-election of the retiring Directors.

\* *For identification purposes only*

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## LETTER FROM THE BOARD

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Under the Listing Rules, the Company is required to provide you with information reasonably necessary to enable you to make an informed decision as to whether to vote for or against the resolutions to be proposed at the Annual General Meeting. This circular is prepared for such propose.

### **ISSUE MANDATE**

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be given the Issue Mandate, i.e. a general and unconditional mandate to allot, issue and deal with Shares equal in aggregate up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution.

As at the Latest Practicable Date, a total of 2,290 million Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 458 million Shares.

The Directors have no immediate plans to allot and issue any new Shares other than Shares which may fall to be issued upon the exercise of options granted under the share option scheme of the Company.

### **REPURCHASE MANDATE AND EXTENSION MANDATE**

At the Annual General Meeting, an ordinary resolution will also be proposed that the Directors be given the Repurchase Mandate, i.e. a general and unconditional mandate to exercise all powers of the Company to repurchase on the Stock Exchange or on any other stock exchange on which the Shares may be listed, Shares up to a maximum of 10% of the nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution.

In addition, an ordinary resolution regarding the Extension Mandate will be proposed at the Annual General Meeting providing that any Shares repurchased under the Repurchase Mandate (up to maximum of 10% of the issued Shares as at the date of the grant of the Repurchase Mandate) will be added to the total number of Shares which may be allotted and issued under the Issue Mandate.

The Repurchase Mandate and the Issue Mandate would continue in force until the conclusion of the next annual general meeting of the Company unless they are renewed at such meeting or until revoked or varied by ordinary resolutions of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

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## LETTER FROM THE BOARD

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An explanatory statement required by the Listing Rules, to be sent to the Shareholders in connection with the proposed Repurchase Mandate is set out in the appendix to this circular. The explanatory statement contains all information reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the Annual General Meeting.

### RE-ELECTION OF DIRECTORS

According to Bye-Law 111(A) of the Bye-Laws, at each annual general meeting, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third, shall retire from office by rotation provided that no Director holding office as Chairman or Deputy Chairman under Bye-Law 135 or the office of managing director or joint managing director under Bye-Law 125 shall be subject to retirement by rotation or be taken into account in determining the number of Directors to retire. A retiring Director shall be eligible for re-election.

According to Bye-Law 111(B) of the Bye-Laws, the Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

According to Bye-Law 115 of the Bye-Laws, the Directors shall have power from time to time or at any time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

In accordance with Bye-Law 111 of the Bye-Laws, Mr. Ho Yu Ling and Mr. Li Qiang will retire as Directors by rotation and, being eligible, will offer themselves for re-election as Directors at the Annual General Meeting.

In accordance with Bye-Law 115 of the Bye-Laws, Ms. Jin Song will hold office only until Annual General Meeting and, being eligible, will offer herself for re-election as Director at the Annual General Meeting.

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## LETTER FROM THE BOARD

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The biographical details of the Directors eligible for re-election at the Annual General Meeting are set out below:

**Mr. Ho Yu Ling, an executive director**

Age : 51

Length of service : Mr. Ho was appointed as an executive Director for an initial term of one year commenced on 1 August 2004. The appointment is renewable automatically for successive terms of one year each, until terminated by either party by not less than three months' notice in writing served by either party expiring at the end of the initial term or at any time thereafter.

Mr. Ho will retire at the Annual General Meeting, at which he will be eligible for re-election pursuant to Bye-Law 111 of the Bye-Laws. Thereafter, Mr. Ho will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with Bye-Law 111 of the Bye-Laws.

Qualification and experience : Mr. Ho Yu Ling is one of the founders of the Group. He has actively participated in the pharmaceutical business since 1983 and has established good relationship and extensive contacts with overseas suppliers and customers in the PRC and Hong Kong. With more than 20 years of experience, Mr. Ho is well-acquainted with the medical, pharmaceutical business and administration in both the areas. Mr. Ho is also responsible for identifying key investments opportunities.

Save as Mr. Ho who is currently an executive director of the Company, he has not held any directorship in other listed companies in the last three years.

Relationship with other Directors, senior management, substantial or controlling shareholders : Mr. Ho does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholder of the Company.



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## LETTER FROM THE BOARD

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Interests in Shares : Mr. Ho was deemed to be interested in 102,000,000 Shares by virtue of the SFO as at the Latest Practicable Date, representing 4.45% of the Company's entire issued share capital as at that date.

Amount of emoluments : Under the said service agreement entered into between the Company and Mr. Ho, he is entitled to a monthly salary of HK\$75,000 which was determined with reference to his roles and responsibilities and the prevailing market conditions. Save for the said salary, Mr. Ho is not entitled to any other emolument for holding his office as an executive Director.

### **Mr. Li Qiang, an executive director**

Age : 51

Length of service : Mr. Li was appointed as an executive Director for an initial term of three years and three months commenced on 1 August 2004. The appointment is renewable automatically for successive terms of one year each, until terminated by either party by not less than three months' notice in writing served by either party expiring at the end of the initial term or at any time thereafter.

Mr. Li will retire at the Annual General Meeting, at which he will be eligible for re-election pursuant to Bye-Law 111 of the Bye-Laws. Thereafter, Mr. Li will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with Bye-Law 111 of the Bye-Laws.

Qualification and experience : Mr. Li Qiang has more than 20 years of experience in the pharmaceutical field. He joined the Group as senior salesman in 1985, and was promoted to sales manager in 1988. He was further promoted to National Marketing Manager in 1990 and became the Sales and Marketing Director of the Group in 1996. Apart from being familiar with the sales and marketing business of the Group, Mr. Li is also familiar with the drug management and administration policies in the PRC pharmaceutical industry.

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## LETTER FROM THE BOARD

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Save as Mr. Li who is currently an executive director of the Company, he has not held any directorship in other listed companies in the last three years.

- Relationship with other Directors, senior management, substantial or controlling shareholders : Mr. Li does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholder of the Company.
- Interests in Shares : Mr. Li was interested in 15,000,000 Shares as at the Latest Practicable Date, representing 0.66% of the Company's entire issued share capital as at that date.
- Amount of emoluments : Under the said service contract entered into between the Company and Mr. Li, he is entitled to a monthly salary of RMB50,000 which was determined with reference to his roles and responsibilities and the prevailing market conditions. Save for the said salary, Mr. Li is not entitled to any other emolument for holding his office as an executive Director.

### **Ms. Jin Song, an independent non-executive director**

- Age : 34
- Length of service : There is no fixed term for her appointment and she will retire at the Annual General Meeting, at which she will be eligible for re-election pursuant to Bye-Law 115 of the Bye-Laws. Thereafter, Ms. Jin will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with Bye-Law 111 of the Bye-Laws.
- Qualification and experience : Ms. Jin Song holds a diploma in engineering from Broadcasting University in Shan Dong and a diploma in business from Fudan University. She is a member of the Chinese Institute of Certified Public Accountants ("CICPA") and passed all the professional examinations held by CICPA in 2001. Ms. Jin has more than 10 years of experience in accounting in different industries.

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## LETTER FROM THE BOARD

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Ms. Jin does not currently hold any office in the Group other than as an independent non-executive Director and a member of the audit committee. She did not hold any directorship in other listed companies in the last three years.

Relationship with other Directors, senior management, substantial or controlling shareholders	:	Ms. Jin does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholder of the Company.
Interests in Shares	:	Ms. Jin did not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company and its associate corporations (within the meaning of Part XV of the SFO) as at the Latest Practicable Date.
Amount of emoluments	:	There is no service contract between the Company and Ms. Jin, but she is entitled to a director's fee as may be approved by the board of the Directors of the Company with reference to her roles and responsibilities and the prevailing market conditions. Save for the director's fee, Ms. Jin is not entitled to any other emolument for holding his office as an independent non-executive Director. Currently Ms. Jin is entitled to a director's fee in the amount of HK\$20,000 per annum.

Each of Mr. Ho Yu Ling, Mr. Li Qiang and Ms. Jin Song has confirmed that there are no fact regarding the Group or their business which ought to be brought to the attention of the Shareholders and/or the Stock Exchange in connection with their re-election as Directors.

### **PROCEDURE TO DEMAND A POLL AT THE ANNUAL GENERAL MEETING**

Pursuant to Bye-Law 73 of the Bye-Laws, a resolution put to the vote at any general meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the Chairman of such meeting; or
- (b) by at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or

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## LETTER FROM THE BOARD

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- (c) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

### **ACTIONS TO BE TAKEN**

At the Annual General Meeting, ordinary resolutions will be proposed to approve, among other matters, the following: the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate. Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and, in any event, not later than 48 hours before the time for the Annual General Meeting or any adjournment thereof to the Company's branch share registrar in Hong Kong, Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof should you so wish.

### **RECOMMENDATION**

The Directors believe that the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate are beneficial to the Company and the Shareholders as a whole.

The Directors believe that an exercise of the Issue Mandate and the Extension Mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company.

The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases of Shares will benefit the Company and the Shareholders.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 March 2005, being the date of its latest audited consolidated financial statements. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolutions approving the Issue Mandate, the Repurchase Mandate and the Extension Mandate at the Annual General Meeting.

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## LETTER FROM THE BOARD

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No Shareholder is required to abstain from voting at the Annual General Meeting under the Listing Rules.

### GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

Yours faithfully,  
For and on behalf of the Board  
**Extrawell Pharmaceutical Holdings Limited**  
**Mao Yu Min**  
*Chairman*

*This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to enable you to make an informed decision whether to vote for or against the resolution(s) to approve the grant of the Repurchase Mandate to the Directors.*

## **1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, amongst which the Listing Rules provide that the shares of a company with a primary listing on the Stock Exchange must be fully paid up and all repurchase of shares by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders, either by way of Repurchase Mandate or by specific approval of a particular transaction.

## **2. SHARE CAPITAL**

As at Latest Practicable Date, there was a total of 2,290,000,000 fully paid Shares in issue.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 229,000,000 Shares during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by the Bye-Laws or any applicable laws or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting.

## **3. REASONS FOR THE REPURCHASE**

The Directors believe it is in the best interests of the Company and its Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange pursuant to the Repurchase Mandate. Share repurchases may depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

#### 4. FUNDING OF REPURCHASES

Repurchase made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association and bye-laws and the applicable laws of Bermuda.

The laws of Bermuda provide that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or the funds of the company that would otherwise be available for distribution by way of dividend or distribution or the proceeds of a fresh issue of shares made for the purpose. The amount of premium payable on repurchase may only be paid out of either the funds of the company that would otherwise be available for distribution by way of dividend or distribution or out of the share premium account of the company. Should the Directors consider it desirable, they would be able to finance the purchase out of funds borrowed against any of the abovementioned accounts. In addition, under the laws of Bermuda, no purchase by a company of its own shares may be effected if, on the date on which the purchase is to be effected, there are reasonable grounds for believing that the company is, or after the purchase would be, unable to pay its liabilities as they become due. In accordance with the laws of Bermuda, the shares so repurchased would be treated as cancelled but the aggregate amount of authorised share capital would not be reduced.

Repurchase of Shares may be funded out of the internal resources of the Group and/or banking facilities as the Directors consider desirable according to the then financial position of the Group. The Directors wish to state that they have no immediate plan to repurchase any Shares pursue thereto.

There might be material adverse impact on the working capital and gearing position of the Company (as compared with the position disclosed in the latest published audited financial statements contained in the annual report of the Company for the year ended 31 March 2005) in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

## 5. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous 12 months preceding the Latest Practicable Date and up to the Latest Practicable Date are as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
July 2004	0.230	0.185
August 2004	0.206	0.181
September 2004	0.205	0.187
October 2004	0.206	0.178
November 2004	0.250	0.186
December 2004	0.242	0.190
January 2005	0.213	0.190
February 2005	0.205	0.186
March 2005	0.200	0.173
April 2005	0.192	0.173
May 2005	0.183	0.175
June 2005	0.236	0.176
July 2005 (up to the Latest Practicable Date)	0.236	0.208

## 6. THE CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, Well Success Limited and United Gene Holdings Limited held 102,000,000 and 680,000,000 Shares respectively, representing approximately 4.45% and 29.69% of the entire issued share capital of the Company, respectively. Assuming that there will be no change in the issued share capital of the Company prior to the repurchase of Shares and Well Success Limited and United Gene Holdings Limited did not dispose of their respective Shares nor acquire additional Shares prior to any repurchase of Shares, if the Repurchase Mandate, if so approved, were exercised in full, the respective percentage shareholding of Well Success Limited and United Gene Holdings Limited would be increased to approximately 4.95% and 32.99% of the then issued share capital of the Company, respectively. On the basis that Well Success Limited and United Gene Holdings Limited are considered to be concert parties (as defined under the Code) and assuming that the Repurchase Mandate, if so approved, is exercised in full, the aggregate percentage shareholdings of such concert group before and after such repurchase would be 34.14% and 37.94%, respectively, and the concert parties would be obliged to make a mandatory offer under Rule 26 of the Code.



However, the Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in a requirement of the concert parties to make a mandatory offer under the Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

An exercise of the Repurchase Mandate whether in whole or in part will not result in less than 25% of the Shares being held by the public.

## **7. GENERAL**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their Associates, has any present intention to sell any Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that they will only exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules and the applicable laws of Bermuda.

The Company has not been notified by any connected person (as defined in the Listing Rules) that such a person has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

No repurchase of Share has been made by the Company during the last six months preceding the Latest Practicable Date, whether on the Stock Exchange or otherwise.

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# NOTICE OF ANNUAL GENERAL MEETING

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## EXTRAWELL PHARMACEUTICAL HOLDINGS LIMITED (精優藥業控股有限公司)\* *(incorporated in Bermuda with limited liability)*

**NOTICE IS HEREBY GIVEN** that an annual general meeting of Extrawell Pharmaceutical Holdings Limited (the “Company”) will be held on Friday, 16 September 2005 at 3:00 p.m. at Monaco Room, Basement 1, Regal Hong Kong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong for the following purposes:

1. to receive and approve the audited consolidated financial statements and the reports of the directors and auditors of the Company for the year ended 31 March 2005;
2. to re-elect Mr. Ho Yu Ling, Mr. Li Qiang and Ms. Jin Song as directors of the Company and to authorise the board of directors of the Company to fix the directors’ remuneration;
3. to re-appoint the auditors and to authorise the board of directors of the Company to fix their remuneration; and
4. as special business, to consider and, if thought fit, pass the following ordinary resolutions (with or without modifications):

**“THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with the unissued shares (each a “Share”) of HK\$0.01 each in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers after the end of the Relevant Period;

\* For identification purposes only

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## NOTICE OF ANNUAL GENERAL MEETING

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(c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares shall not exceed the aggregate of:

(aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and

(bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent of 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; or

(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution;

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## NOTICE OF ANNUAL GENERAL MEETING

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“Rights Issue” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase shares (each a “Share”) of HK\$0.01 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Act 1981 of Bermuda (the “Companies Act”) and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act or any other applicable law of Bermuda to be held; or

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## NOTICE OF ANNUAL GENERAL MEETING

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(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

6. “**THAT** conditional on the passing of resolution numbered 4 above, the general mandate granted to the directors of the Company pursuant to resolution numbered 4 above be and it is hereby extended by the addition to the aggregate nominal amount of the shares of HK\$0.01 each in the capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company purchased or agreed to be purchased by the Company pursuant to or in accordance with the authority granted under resolution numbered 5 above.”

Yours faithfully,

For and on behalf of the Board

**Extrawell Pharmaceutical Holdings Limited**

**Mao Yu Min**

*Chairman*

Hong Kong, 29 July 2005

*Executive directors:*

Dr. Mao Yu Min  
Mr. Ho Chin Hou  
Mr. Ho Yu Ling  
Mr. Li Qiang  
Dr. Xie Yi

*Independent non-executive directors:*

Mr. Fang Lin Hu  
Mr. Xue Jing Lun  
Ms. Jin Song

*Head office and principal place*

*of business in Hong Kong:*

Suites 4701-04, 47th Floor  
RBS Tower, Times Square  
1 Matheson Street  
Causeway Bay  
Hong Kong

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the bye-laws of the Company, vote in his stead. A proxy need not be a member of the Company.
2. A form of proxy for use at the meeting is enclosed. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, at the offices of the Company's Hong Kong branch registrars, Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong no less than 48 hours before the time for holding the meeting or adjourned meeting.
3. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she/it were solely entitled thereto. If more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.