

*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 disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **EXTRAWELL PHARMACEUTICAL HOLDINGS LIMITED**

**精優藥業控股有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 00858)**

### **ANNOUNCEMENT UPDATE ON THE PROPOSAL FOR RESUMPTION OF TRADING IN THE SHARES**

#### **PROGRESS AND CONDITIONS FOR RESUMPTION OF TRADING**

The Board wishes to announce that, pursuant to the Stock Exchange's letter dated 30 October 2007 and two other faxes dated 16 June 2008 and 27 March 2009, respectively, addressed to the Company, the Company's application of lifting the suspension of trading of the Shares on the Stock Exchange is subject to fulfillment of a number of conditions as summarised in the section "Conditions for resumption of trading" below.

Up to the date of this announcement, RSM Nelson Wheeler Consulting Limited, the independent professional firm engaged by the Company for conducting an internal control review in respect of the financial, operational, compliance control and risk management functions of the Group, has already completed its review and has submitted its report to the Independent Board in respect of its general review on the weaknesses and deficiencies in the internal control system of the Group and the internal control measures relating to the 2004 Transaction, the 2007 Transaction and other transactions entered into by the Group for the four years ended 31 March 2007. The Independent Board is currently preparing the report comprising the results of the reviews requested by the Stock Exchange and it is expected that the report will be submitted after April 2009 to the Stock Exchange in support of the Company's application of lifting the suspension of trading of the Shares on the Stock Exchange. An announcement will be made by the Company in due course to keep the shareholders and investors informed of the results of the application.

#### **SUSPENSION OF TRADING**

At the request of the Stock Exchange, trading in the Shares on the Stock Exchange was suspended with effect from 10:12 a.m. on 20 September 2007 and will continue to be suspended until further notice. The resumption of trading in the Shares is subject to a number of conditions as summarised in the section "Conditions for resumption of trading" in this announcement.

## INTRODUCTION

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Board refers to an announcement of the Company dated 17 September 2007 clarifying the relationship between Mr. Ho Chin Hou, a former executive Director, and Mr Ong (one of the vendors under the 2004 Transaction and the vendor under the 2007 Transaction) and Ms Wu (one of the vendors under 2004 Transaction), another announcement (“**October 31 Announcement**”) of the Company dated 31 October 2007 regarding the Stock Exchange’s request for the ratification of the 2004 Transaction and the re-approval of the 2007 Transaction by the Independent Shareholders, and the suspension of trading in the Shares pending, among others, the completion of an investigation by the Independent Board on the effectiveness of the Group’s internal control, and another announcement of the Company dated 18 June 2008 regarding the progress of the investigation by the Independent Board. Capitalised terms used in this announcement shall have the same meanings as that defined in the October 31 Announcement.

## CONDITIONS FOR RESUMPTION OF TRADING

The Board wishes to announce that, pursuant to the Stock Exchange’s letter dated 30 October 2007 and two other faxes dated 16 June 2008 and 27 March 2009, respectively, addressed to the Company, the Company’s application of lifting the suspension of trading of the Shares on the Stock Exchange is subject to fulfillment of the following conditions to the satisfaction of the Stock Exchange:

- (a) the Company shall demonstrate that the market is properly informed of all material information to appraise the position of the Group, including the investigations by the Independent Commission Against Corruption against the two former Directors in relation to the 2004 Transaction and the 2007 Transaction (the “**Investigation**”), and the implications to the Group’s operations, assets and financial position;
- (b) the Company shall demonstrate that circumstances no longer exist to suggest that there may be significant deficiencies in the internal control system and/or concern about the management integrity which will pose a risk to investors and may damage market confidence;
- (c) the Independent Board shall review matters pertaining to the Investigation and the work done by the independent professional party to provide reasonable assurance in respect of matters in (a) and (b) above;
- (d) the Company will address the concerns raised by auditors through qualifications of financial results of the Group published after the suspension of trading of the Shares on the Stock Exchange since September 2007.

In addressing the above conditions, the Company is required to investigate the 2004 Transaction and the 2007 Transaction, and to review other transactions entered into by the Group to ascertain whether there were other transactions entered into by the Group having similar issues as the 2004 Transaction and the 2007 Transaction.

The above conditions are imposed by the Stock Exchange based on the information provided and the specific circumstances of the case of the Company. The Stock Exchange reserved its right to revoke or modify the conditions if there is any change in circumstances.

## **PROGRESS FOR THE APPLICATION FOR RESUMPTION OF TRADING**

Up to the date of this announcement, RSM Nelson Wheeler Consulting Limited, the independent professional firm engaged by the Company for conducting an internal control review in respect of the financial, operational, compliance control and risk management functions of the Group, has already completed its review and has submitted its report to the Independent Board in respect of its general review on the weaknesses and deficiencies in the internal control system of the Group and the internal control measures relating to the 2004 Transaction, the 2007 Transaction and other transactions entered into by the Group for the four years ended 31 March 2007. The purpose of the reviews is for the Independent Board to provide assurance to the Stock Exchange and the investing public on the effectiveness of the Group's internal control, and to ensure that there are no significant deficiencies in the internal control system of the Group which may pose a risk to investors and may damage market confidence.

The Independent Board is currently preparing the report comprising the information as set out under the section headed "Conditions for Resumption of Trading" above and it is expected that the report will be submitted after April 2009 to the Stock Exchange in support of the Company's application of lifting the suspension of trading of the Shares on the Stock Exchange. An announcement will be made by the Company in due course to keep the shareholders and investors informed of the results of the application.

## **SUSPENSION OF TRADING**

At the request of the Stock Exchange, trading in the Shares on the Stock Exchange was suspended with effect from 10:12 a.m. on 20 September 2007 and will continue to be suspended until further notice. The resumption of trading in the Shares is subject to a number of conditions as summarised in the section "Conditions for resumption of trading" in this announcement.

By order of the Board  
**EXTRAWELL PHARMACEUTICAL HOLDINGS LIMITED**  
**Xie Yi**  
*Director*

Hong Kong, 3 April 2009

*As at the date of this announcement, the executive directors are Dr Mao Yu Min, Dr Xie Yi, Dr Lou Yi and Ms Wong Sau Kuen and the independent non-executive directors are Mr Fang Lin Hu, Mr Xue Jing Lun and Ms Jin Song.*

\* *For identification purpose only*