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## **EXTRAWEILL PHARMACEUTICAL HOLDINGS LIMITED**

**精 優 藥 業 控 股 有 限 公 司 \***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 00858)**

### **VOLUNTARY ANNOUNCEMENT**

#### **PROPOSED CHANGE OF TERMS AND CONDITIONS FOR THE ACQUISITION OF MINORITY INTERESTS IN SMART ASCENT LIMITED POSSIBLE CONNECTED TRANSACTION**

Reference is made to the Company's announcement dated 1 August 2007 and the Company's circulars dated 22 August 2007 and 21 May 2009 in connection with the acquisition by the Company's wholly owned subsidiary, Extrawell BVI, of the 49% interest in the share capital of Smart Ascent from Mr. Ong, being the existing minority shareholder of Smart Ascent and the son-in-law of a former Director.

The Board has been informed by Mr. Ong and Dr. Mao Yu Min that on 6 September 2011, Mr. Ong and Dr. Mao entered into the SP Agreement pursuant to which Dr. Mao has conditionally agreed to acquire from Mr. Ong, and Mr. Ong has conditionally agreed to sell to Dr. Mao (1) (where the 2007 Agreement shall be completed in accordance with its terms) 150 million of the Consideration Shares (the "**Sale Listco Shares**") to be allotted and issued to Mr. Ong upon completion of the 2007 Agreement; or (2) (where the 2007 Agreement shall lapse or otherwise be terminated in accordance with its terms) 24.5% interest in the share capital of Smart Ascent (the "**Sale Smart Shares**").

The Board has also been informed by Mr. Ong and Dr. Mao that completion of the SP Agreement shall be conditional upon, among others, that (1) the 2007 Agreement having been completed or (where earlier) having lapsed or been terminated in accordance with its terms (as supplemented as mentioned below), and that (2) the requisite consents from Extrawell BVI and the Company in connection with the transactions contemplated by the SP Agreement having been obtained, both on or before 12:00 noon on the date falling 12 months after the date of the SP Agreement or such later date as the parties thereto may mutually agree.

Mr. Ong has proposed to the Board that supplemental agreement (the “**Proposed Supplemental Agreement**”) should be entered into between Mr. Ong and Extrawell BVI to supplement the 2007 Agreement so as to, among others, (i) extend the latest date for fulfillment or (as the case may be) waiver of the conditions precedent for completion of the 2007 Agreement to a date falling not later than 12 months after the date of the SP Agreement, (ii) consent to the sale and transfer of the Sale Listco Shares by Mr. Ong to Dr. Mao upon completion of the 2007 Agreement, or to allow for the allotment of the Sale Listco Shares to Dr. Mao directly at the direction of Mr. Ong; and (iii) if the Sale Smart Shares shall be delivered by Mr. Ong upon completion of the SP Agreement, partially release any outstanding share pledge in respect thereof then charged by Mr. Ong in favour of Extrawell BVI.

As Dr. Mao Yu Min, the chairman of the Board and an executive Director and therefore a connected person of the Company, will be materially interested in the 2007 Agreement as supplemented by the Proposed Supplemental Agreement and, if the 2007 Agreement and the SP Agreement shall be completed in accordance with their respective terms, the Company shall allot and issue the Sale Listco Shares to Dr. Mao at the direction of Mr. Ong, the Proposed Supplemental Agreement and the resultant transactions as contemplated by the 2007 Agreement (as supplemented) may constitute connected transactions of the Company and may be subject to the reporting, announcement and/or independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Board has no present intention to enter into the Proposed Supplemental Agreement as at the date of this announcement. The Board will closely monitor the progress and results of the clinical trial of the Medicine and will from time to time reassess whether, and when, it is in the interests of the Group and the shareholders of the Company (taken as a whole) to proceed with the acquisition of the 49% interest in the share capital of Smart Ascent and, if to proceed with, whether to proceed with on the original or the proposed supplemental terms and conditions of the 2007 Agreement. The Company will comply with the applicable requirements under Chapters 14 and/or 14A of the Listing Rules where appropriate.

**Shareholders and prospective investors of the Company should exercise caution when dealing in the shares of the Company.**

## DEFINITIONS

In this announcement, the following expressions have the following meanings:

“2007 Agreement”	the conditional agreement dated 27 July 2007 entered into between Mr. Ong as vendor and Extrawell BVI as purchaser in connection with the sale and purchase of 49% interest in the share capital of Smart Ascent held by Mr. Ong
“Board”	board of Directors
“Company”	Extrawell Pharmaceutical Holdings Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the main board of the Stock Exchange
“Consideration Shares”	the 300,000,000 ordinary shares of HK\$0.01 each in the Company to be allotted and issued, credited as fully paid, to Mr. Ong as consideration for the sale of the 49% interest in the share capital of Smart Ascent to Extrawell BVI pursuant to the original 2007 Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Dr. Mao”	Dr. Mao Yu Min, the chairman of the Board and an executive Director, the purchaser under the SP Agreement
“Extrawell BVI”	Extrawell (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Fosse Bio”	Fosse Bio-Engineering Development Ltd., a company incorporated in Hong Kong with limited liability, 51% interest of which is owned by Smart Ascent
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Medicine”	Oral Insulin Enteric-Coated Soft Capsules (口服胰島素腸溶膠丸), one of the oral insulin products developed by Fosse Bio in collaboration with Tsinghua University, Beijing

“Mr. Ong”	Mr. Ong Cheng Heang, the respective vendor under the 2007 Agreement and the SP Agreement, and the son-in-law of a former Director
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan
“SP Agreement”	the conditional sale and purchase agreement dated 6 September 2011 and entered into between Mr. Ong and Dr. Mao Yu Min in connection with the sale and purchase of the Sale Listco Shares or, as the case may be, the Sale Smart Shares
“Smart Ascent”	Smart Ascent Limited, a company incorporated in Hong Kong with limited liability, the entire issued share capital of which is owned as to 51% by Extrawell (BVI) Limited and 49% by Mr. Ong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board  
**Extrawell Pharmaceutical Holdings Limited**  
**Xie Yi**  
*Director*

Hong Kong, 7 September 2011

*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*