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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: 00858)

COMPLETION OF SUPPLEMENTAL AGREEMENT IN RELATION TO ACQUISITION OF MINORITY INTEREST IN SMART ASCENT CONNECTED AND MAJOR TRANSACTION

The Board is pleased to announce that all the conditions precedent to the Acquisition Agreement have been fulfilled and Completion took place on 16 July 2013.

Reference is made to the announcements of Extrawell Pharmaceutical Holdings Limited (the “**Company**”) dated 23 February 2013 and 27 February 2013 and the circular (the “**Circular**”) to the shareholders of the Company dated 18 June 2013 in relation to the Acquisition. Terms used herein shall have the same meanings as defined in the Circular unless the context requires otherwise.

COMPLETION

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that all the conditions precedent to the Acquisition Agreement have been fulfilled and Completion took place on 16 July 2013. Following Completion, Smart Ascent will become an indirect wholly-owned subsidiary of the Company.

In accordance with the terms of the Acquisition Agreement, upon Completion, the Company has satisfied the Consideration of HK\$660,000,000 by, amongst others, issuing the Bonds for an aggregate principal amount of HK\$641,300,000 in the following manner:

- (a) as to the principal amount of HK\$320,650,000, to the Vendor; and
- (b) as to the principal amount of HK\$320,650,000, to Dr. Mao.

Set out below is the shareholding structure of the Company immediately before and upon the issue and allotment of the Conversion Shares upon exercise in full of the conversion rights attached to the Bonds at the Conversion Price. Pursuant to the Instrument, the Vendor and Dr. Mao will only convert the Bonds in a manner that will not cause the Company to be in breach of the Public Float Requirement; or if immediately following such exercise, the bondholder and its parties acting in concert, taken together, will directly or indirectly control or be interested in 30% or more of the Shares or such lower percentage as may from time to time be specified in the Hong Kong Code on Takeovers and Mergers as being the level for triggering a mandatory general offer. Shareholders should take note that the analysis under scenario (ii) is shown for illustration purpose only.

Shareholders	Immediately before the issue and allotment of Conversion Shares upon exercise of the conversion rights in full		Immediately upon the issue and allotment of Conversion Shares upon exercise of the conversion rights in full	
	<i>Number of Shares</i>	<i>% (Note 1)</i>	<i>Number of Shares</i>	<i>%</i>
Dr. Mao (Note 2)	600,000	0.03	500,600,000	15.21
JNJ Investments Ltd.	450,000,000		450,000,000	
	(Note 3)	19.65	(Note 3)	13.68
Fudan Pharmaceutical Limited	30,000,000		30,000,000	
	(Note 3)	1.31	(Note 3)	0.91
The Vendor	0	0	500,000,000	15.20
Public Shareholders	<u>1,809,400,000</u>	<u>79.01</u>	<u>1,809,400,000</u>	<u>55.00</u>
Total	<u><u>2,290,000,000</u></u>	<u><u>100.00</u></u>	<u><u>3,290,000,000</u></u>	<u><u>100.00</u></u>

Notes:

1. The percentage is calculated on the basis of 2,290,000,000 Shares in issue as at the date of this announcement, without taking into account 1,000,000,000 Shares to be issued upon exercise of the conversion rights in full.
2. Dr. Mao is an executive Director.

3. The entire issued share capital of each of JNJ Investments Limited and Fudan Pharmaceutical Limited is owned by Biowindow Gene Development (Hong Kong) Limited, and the entire issued share capital of Biowindow Gene Development (Hong Kong) Limited is owned by United Gene Group Limited. The issued share capital of United Gene Group Limited is owned as to 33% by United Gene Holdings Limited and as to 33% by Ease Gold Investments Limited. The issued share capital of United Gene Holdings Limited and Ease Gold Investments Limited is wholly owned by Dr. Mao and Dr. Xie Yi respectively.

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

Hong Kong, 16 July 2013

As at the date of this announcement, the executive Directors are Dr. Mao Yumin, 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*