



## EXTRAWELL PHARMACEUTICAL HOLDINGS LIMITED

精優藥業控股有限公司\*

*(incorporated in Bermuda with limited liability)*

(Stock Code: 00858)

### CLARIFICATION ANNOUNCEMENT

The 2004 Transaction constituted a discloseable transaction for the Company pursuant to the Listing Rules. The 2007 Transaction constituted a connected and discloseable transaction for the Company pursuant to the Listing Rules.

It was stated in the 2004 Announcement and the 2004 Circular that Mr Ong was an independent non-executive Director of the Company and resigned from such post on 2nd August 2001 and that save for being an independent non-executive Director prior to 2nd August, 2001, each of Ms Wu and Mr Ong (both vendors in the 2004 Transaction) and their respective Associates is independent of and not connected with any of the Directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or any of their respective Associates, and accordingly, each of Ms Wu and Mr Ong is not a connected person (as defined under the definition of Listing Rules) of the Company.

It was stated in the 2007 Announcement and the 2007 Circular that the 2007 Transaction constituted a connected transaction for the Company as Mr Ong (the vendor in the 2007 Transaction) is a substantial shareholder of Smart Ascent, a subsidiary of the Company by virtue of his interest in Smart Ascent. A special general meeting of the Company was convened to be held on Thursday, 20 September 2007 at 4:00 p.m. to consider the 2007 Transaction.

The Board would like to clarify that subsequent to the despatch of the 2007 Circular, it came to the attention of the Board that Mr Ong is the son-in-law of Mr Ho Chin Hou, an executive director of the Company. It also came to the attention of the Board that Ms Wu is the daughter-in-law of Mr Ho.

### INTRODUCTION

Reference is made to an announcement dated 3 March 2004 issued by the Company and a circular dated 25 March 2004 issued by the Company on the 2004 Transaction. Under the 2004 Transaction, the Group entered into the 2004 Agreement with the Vendors whereby the Group agreed to acquire and the Vendors agreed to dispose of 51% of the entire issued share capital of Smart Ascent. The 2004 Transaction was completed in August 2004.

Reference is also made to an announcement dated 22 August 2007 issued by the Company and a circular of the Company dated 22 August 2007 on the 2007 Transaction. Under the 2007 Transaction, the Group entered into the 2007 Agreement whereby Mr Ong has conditionally agreed to sell and the Group has agreed to acquire the remaining 49% interests in Smart Ascent.

The 2004 Transaction constituted a discloseable transaction for the Company pursuant to the Listing Rules. The 2007 Transaction constituted a connected and discloseable transaction for the Company pursuant to the Listing Rules. It was stated in the 2004 Announcement and the 2004 Circular that Mr Ong was an independent non-executive Director of the Company and resigned from such post on 2nd August 2001 and that save for being an independent non-executive Director prior to 2nd August, 2001, each of Ms Wu and Mr Ong and their respective Associates is independent of and not connected with any of the Directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or any of their respective Associates, and accordingly, each of Ms Wu and Mr Ong is not a connected person (as defined under the definition of Listing Rules) of the Company.

It was stated in the 2007 Announcement and the 2007 Circular that the 2007 Transaction constituted a connected transaction for the Company as Mr Ong is a substantial shareholder of Smart Ascent, a subsidiary of the Company by virtue of his interest in Smart Ascent.

Subsequent to the despatch of the 2007 Circular, it came to the attention of the Board that Mr Ong is the son-in-law of Mr Ho Chin Hou, an executive director of the Company. It also came to the attention of the Board that Ms Wu is the daughter-in-law of Mr Ho. Under Rule 14A.11 of the Listing Rules, the definition of “connected person” includes a son-in-law and a daughter-in-law of a director of the Company whose association with the director is such that, in the opinion of the Stock Exchange, the transaction should have been subject to the connected transaction requirements of the Listing Rules.

Mr Ho had inadvertently failed to alert the Board of his personal relationship with Mr Ong and Ms Wu prior to the 2004 Transaction and prior to the 2007 Transaction because he was under the impression that since Mr Ong had tendered his resignation as an independent non-executive Director, Mr Ong was no longer a connected person within the meaning of the Listing Rules. As the Board was not aware of the personal relations between Mr Ho and Mr Ong and that between Mr Ho and Ms Wu, this fact was not disclosed in the 2004 Announcement, the 2004 Circular, the 2007 Announcement and the 2007 Circular.

The Board considers that despite that the fact that the personal relations between Mr Ong and Mr Ho and that between Mr Ho and Ms Wu were not specifically referred to in the 2004 Announcement and the 2004 Circular, these documents had contained all material information relevant to the 2004 Transaction and were true and accurate in all material respects and not misleading in any material respect. Further, the Board considers that the 2007 Announcement and the 2007 Circular contained all material information relevant to the 2007 Transaction and were true and accurate in all material respects and not misleading in any material respect. The Independent Board Committee has confirmed to the Board that their recommendation to the Independent Shareholders as contained in the 2007 Circular has remained unchanged. Hantec Capital Limited, the independent financial adviser appointed by the Company to advise the Independent Board Committee and Independent Shareholders of the

Company on the 2007 Transaction has confirmed to the Independent Board Committee that their recommendation to the Independent Board Committee and the Independent Shareholders as contained in the 2007 Circular has remained unchanged.

The Stock Exchange is still considering the Company's compliance with the connected transaction requirements under the Listing Rules and if the 2004 Transaction should also be a connected transaction. The Stock Exchange reserves its right to take any action against the Company and/or the Directors for the breach of the connected transactions requirements under the Listing Rules.

## **DEFINITIONS**

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

“2004 Agreement”	a conditional sale and purchase agreement dated 3 March 2004 entered into between the Vendors as vendors and the Group as purchaser in connection with the sale and purchase of 51% interest in Smart Ascent
“2007 Agreement”	a conditional agreement dated 27 July 2007 entered into between Mr Ong as vendor and the Group as purchaser in connection with the sale and purchase of the remaining 49% interest in Smart Ascent
“2004 Announcement”	the announcement dated 4 March 2007 published by the Company containing information in the 2004 Transaction
“2007 Announcement”	the announcement dated 1 August 2007 published by the Company containing information on the 2007 Transaction
“2004 Circular”	the circular dated 25 March 2004 of the Company containing information on the 2004 Transaction
“2007 Circular”	the circular dated 22 August 2007 published by the Company containing information on the 2007 Transaction
“2004 Transaction”	the acquisition by the Group of 51% interest in Smart Ascent from the Vendors pursuant to the 2004 Agreement, as more particularly referred to in the 2004 Announcement and the 2004 Circular
“2007 Transaction”	the acquisition by the Group of the remaining 49% interest in Smart Ascent from Mr Ong pursuant to the 2007 Agreement, as more particularly referred to in the 2007 Announcement and the 2007 Circular
“Associates”	have the same meanings ascribed thereto under the Listing Rules
“Board”	board of Directors
“Company”	Extrawell Pharmaceutical Holdings Limited, a company incorporated in Bermuda with limited liability and whose shares having a par value of HK\$0.01 each are listed on the main board of the Stock Exchange

“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the committee of the Board established for the purpose of advising the Independent Shareholders on the 2007 Transaction, the members of which include all the independent non-executive Directors, namely Mr Fang Lin Hu, Mr Xue Jing Lun and Ms Jin Song
“Independent Shareholders”	shareholders of the Company, other than Mr Ong and his Associates and any connected persons who have material interests in the 2007 Transaction and all other transactions contemplated under the acquisition agreement governing the 2007 Transaction
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Mr Ho”	Mr Ho Chin Hou, an executive director
“Mr Ong”	Mr Ong Cheng Heang, one of the Vendors of the 2004 Transaction and the vendor of the 2007 Transaction
“Ms Wu”	Ms Wu Kiet Ming, one of the Vendors of the 2004 Transaction
“PRC”	the People’s Republic of China
“Smart Ascent”	Smart Ascent Limited, a company incorporated in Hong Kong with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	collectively, Ms Wu and Mr Ong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board  
**EXTRAWELL PHARMACEUTICAL HOLDINGS LIMITED**  
**Dr. Mao Yu Min**  
*Chairman*

Hong Kong, 17 September 2007

\* *for identification purpose only*