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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE
SUPPLEMENTAL ANNOUNCEMENT

Placing Agent

uSmart Securities Limited

Reference is made to the announcement of Extrawell Pharmaceutical Holdings Limited ("**Company**") dated 30 October 2026 in relation to the proposed placing of new shares under general mandate ("**Announcement**"). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board wishes to provide further information in relation to the Group's intended use of the net proceeds to be raised from the Placing.

As part of its long-term business strategy, the Group has been seeking out new and sustainable revenue streams to support its continued growth and development. In recognition of the importance of risk and income diversification in light of the current volatile global markets owing to the ongoing geopolitical tensions and trade wars, the Group has been broadening its strategic focus beyond its principal business operations in the pharmaceutical industry. As the Group's existing business operations in the development, manufacture and sales of pharmaceutical products ("**Pharmaceutical Business**") are capital-intensive in nature with returns generally realised only over a relatively extended timeframe, the Group has been exploring opportunities in other sectors, in particular, those with a shorter return cycle.

As disclosed in the Announcement, to capture the immense upside of the current AI and electronics supercycle driven by aggressive AI deployment and advanced computing, the Group has since August 2026, launched its new business endeavour in the trading of electronic modules and related products, including circuit boards and server boards, with target customers in Hong Kong and the PRC

("**Trading Business**"). As this new Trading Business has a relatively short payback period by its nature, it has already started to generate revenue for the Group and the Group has been operating within established financial control frameworks. While there is no direct synergy between the Trading Business and the existing principal businesses of the Group which are pharmaceutical-related, it serves to balance the Group's overall return profile with a quicker generation of return on investment and cash flow, thereby enhancing the overall financial strength of the Group, which contributes to the long-term growth and resilience of the Group.

It is currently expected that a total of approximately HK$9.8 million of the maximum net proceeds from the Placing allocated to the Trading Business will be entirely used for the purchase of electronic modules and related products for resale, so as to expand the Group's business of trading of electronic modules and related products.

Having achieved positive results from the Trading Business in the past few months, including steady revenue growth, established customer relationships, and a deepened understanding of the market demand, the Group intends to strategically expand into the business of manufacturing, sale and research and development of electronic modules and related products (collectively referred to as, "**Manufacturing Business**") to capture the emerging development opportunities made available by the monumental expansion in the global markets for electronic modules and related products driven by rapid AI development and advanced computing. This vertical integration would enable the Group to move up the value chain and capture higher profit margins currently retained by its contract manufacturing partners. By leveraging its existing distribution channels and customer base, the Group would be able to achieve cost efficiencies, while gaining greater control over product quality and supply chain stability. In addition, establishing its own manufacturing capabilities in electronic modules and related products would reduce the Group's dependence on third-party suppliers and provide it with faster response to changing consumer preferences, thereby allowing it to secure a more sustainable competitive advantage in the market in the long run.

Electronic modules, such as server boards and circuit boards, which form the physical foundation upon which modern computing, AI, and communications are built, are advanced high-end products that require extreme precision, advanced engineering and specialised manufacturing skills to produce. As a well-established manufacturer of pharmaceuticals in the PRC, the Group's own manufactured products are subject to the stringent regulatory oversight and standards imposed by the PRC authorities. Consequently, the Group has accumulated substantial experience in managing the production of quality pharmaceutical products, which typically entails the establishment of sophisticated manufacturing facilities, the deployment of experienced and skilled workforce, the use of advanced technology and high-precision production machinery and the implementation of a rigorous quality control system. In the view of the Board, the Group's possession of such systemic management expertise, complemented by the operational insights gained in dealing with electronic modules and related products through the Trading Business, will facilitate its venture into the Manufacturing Business.

It is currently estimated that for carrying out the Manufacturing Business with a designed annual production capacity of approximately 100,000 modules, the capital commitment of the Manufacturing Business will be not more than HK$10 million, being the funding required for the purchase of the manufacturing equipment and the ancillary fixtures and fittings for manufacturing the electronic modules and related products ("**Manufacturing Facilities**"), which is intended to be financed with the net proceeds of the Placing.

Out of the total of approximately HK$19.6 million of the maximum net proceeds from the Placing allocated to the Manufacturing Business, it is currently expected that:

(i) approximately HK$10 million will be spent on setting up the Manufacturing Facilities;

(ii) approximately HK$9 million will be used on the research and development of electronic modules and related products, i.e. the recruitment of research and development personnel and the purchase of the research and development equipment; and

(iii) approximately HK$0.6 million will be used on the recruitment of sale personnel for enhancing the sale of electronic modules and related products.

Notwithstanding that the Group intends to undertake the Trading Business and the Manufacturing Business as mentioned above, the Group will continue to carry out the Pharmaceutical Business, and has no current intention to downsize or dispose of this business.

Save and except for the aforesaid information, all other information contained in the Announcement remains unchanged.

WARNING

Since Completion is subject to the fulfilment of the condition as described in the Announcement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

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

Hong Kong, 5 November 2026

As at the date of this announcement, the executive directors are Dr. Xie Yi, Dr. Guo Yi, Mr. Cheng Yong, Ms. Wong Sau Kuen and Mr. Wu Xiangyun, and the independent non-executive directors are Ms. Jin Song, Dr. Zeng Li and Ms. Yang Xiaorong.

* *For identification purpose only*