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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Extrawell Pharmaceutical Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**MAJOR TRANSACTION
IN RELATION TO THE EXTENSION OF LOAN AGREEMENT
AND
PROVISION OF FINANCIAL ASSISTANCE
AND
NOTICE OF SPECIAL GENERAL MEETING**

Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as defined under the section “Definitions” of this circular.

A notice convening the SGM to be held at Room 1, United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 15 October 2024 at 11:00 a.m. is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for use at the SGM is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk).

Whether or not you are able to attend the SGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM (or any adjournment thereof) to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the SGM (or any adjournment thereof) should you so wish and in such event the relevant form of proxy shall be deemed to be revoked.

* *For identification purpose only*



27 September 2024

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DEFINITIONS

In this circular, the following expression shall have the following meanings unless the context indicates otherwise:

“Announcement”	the announcement of the Company dated 30 July 2024 regarding the execution of the First Loan Extension Agreement and the Third Shareholders’ Loan Agreement
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Borrower”	Smart Ascent Limited, a company incorporated in Hong Kong with limited liability, the entire issued share capital of which is owned as to 49% by the Group and 51% by Innovative Group
“Business Day(s)”	A day on which banks in Hong Kong are generally open for business (excluding Saturdays, Sundays and other general holidays in Hong Kong)
“Clear Rich”	Clear Rich International Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly owned subsidiary of Innovative, a 51% shareholder of the Borrower and one of the Lenders
“Company”	Extrawell Pharmaceutical Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 858)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Extension Conditions”	conditions precedent to the completion of First Loan Extension Agreement
“Extrawell”	Extrawell (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly owned subsidiary of the Company, a 49% shareholder of the Borrower and one of the Lenders
“Facility”	a loan facility of up to a principal amount of HK\$20,000,000 to be made available by the Lenders to the Borrower under the Third Shareholders’ Loan Agreement

DEFINITIONS

“First Drawdown”	the drawdown of a loan in the principal amount of HK\$10,000,000 made by the Borrower under the First Shareholders’ Loan Agreement
“First Loan”	a loan in the aggregate principal amount of HK\$30,000,000 for a term of 60 months provided by the Lenders to the Borrower through the First Drawdown, the Second Drawdown and the Third Drawdown under the First Shareholders’ Loan Agreement
“First Loan Extension”	the extension of the repayment dates of the First Loan for a period of 36 months under the First Shareholders’ Loan Agreement
“First Loan Extension Agreement”	the supplemental agreement dated 30 July 2024 entered into between the Lenders and the Borrower for the First Loan Extension
“First Shareholders’ Loan Agreement”	the shareholders’ loan agreement dated 27 July 2018 entered into between the Lenders and the Borrower relating to the granting of the First Loan
“Fifth Drawdown”	the drawdown of a loan in the principal amount of HK\$4,500,000 made by the Borrower under the Second Shareholders’ Loan Agreement
“Fourth Drawdown”	the drawdown of a loan in the principal amount of HK\$5,000,000 made by the Borrower under the Second Shareholders’ Loan Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region, PRC
“Innovative”	Innovative Pharmaceutical Biotech Limited, a limited liability company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 399)
“Innovative Group”	Innovative and its subsidiaries
“Innovative Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of Innovative

DEFINITIONS

“Latest Practicable Date”	23 September 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Lenders”	collectively, Extrawell and Clear Rich
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	collectively, the Lenders and the Borrower
“PRC”	the People’s Republic of China
“Product”	an oral insulin product developed by Smart Ascent Group
“RMB”	Renminbi, the lawful currency of PRC
“Second Drawdown”	the drawdown of a loan in the principal amount of HK\$5,000,000 made by the Borrower under the First Shareholders’ Loan Agreement
“Second Loan”	a loan in the aggregate principal amount of HK\$12,000,000 for a term of 60 months provided by the Lenders to the Borrower through the Fourth Drawdown, the Fifth Drawdown and the Sixth Drawdown under the Second Shareholders’ Loan Agreement
“Second Shareholders’ Loan Agreement”	the shareholders’ loan agreement dated 8 March 2022 entered into between the Lenders and the Borrower relating to the granting of the Second Loan
“SGM”	the special general meeting of the Company to be convened for the purpose of approving and ratifying the contents and execution of the First Loan Extension Agreement and the Third Shareholders’ Loan Agreement
“Share(s)”	ordinary share(s) of HK\$ 0.01 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of Shares
“Shareholders’ Loan Agreements”	collectively, the First Shareholders’ Loan Agreement and the Second Shareholders’ Loan Agreement

DEFINITIONS

“Smart Ascent”	Smart Ascent Limited, a company incorporated in Hong Kong with limited liability, the entire issued share capital of which is owned by the Lenders as to 49% by the Group and 51% by Innovative Group, the Borrower
“Smart Ascent Group”	Smart Ascent and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sixth Drawdown”	the drawdown of a loan in the principal amount of HK\$2,500,000 made by the Borrower under the Second Shareholders’ Loan Agreement
“Third Loan Conditions”	conditions precedent to the drawdown of the Facility pursuant to the Third Shareholders’ Loan Agreement
“Third Drawdown”	the drawdown of a loan in the principal amount of HK\$15,000,000 made by the Borrower under the First Shareholders’ Loan Agreement
“Third Shareholders’ Loan Agreement”	the shareholders’ loan agreement dated 30 July 2024 entered into between the Lenders and the Borrower relating to the granting of the Facility
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

Note: Certain figures set out in this circular have been subject to rounding adjustments. Accordingly, amounts or percentage in this circular may not be an arithmetic sum of such figures. Any discrepancy in any table between totals and sums of amounts listed in this circular is due to rounding.

LETTER FROM THE BOARD



EXTRAWELL PHARMACEUTICAL HOLDINGS LIMITED

精優藥業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00858)

Executive Directors:

Xie Yi (*Chairman and Chief Executive Officer*)

Cheng Yong (*Deputy Chief Executive Officer*)

Lou Yi

Wong Sau Kuen

Guo Yi

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent non-executive Directors

Fang Lin Hu

Jin Song

Zeng Li

Head office and principal place

of business in Hong Kong

Suites 2206–08, 22nd Floor,

Devon House, Taikoo Place,

979 King's Road, Quarry Bay,

Hong Kong

27 September 2024

To the Shareholders

Dear Sir/Madam,

**MAJOR TRANSACTION
IN RELATION TO THE EXTENSION OF LOAN AGREEMENT
AND
PROVISION OF FINANCIAL ASSISTANCE
AND
NOTICE OF SPECIAL GENERAL MEETING**

BACKGROUND

Reference is made to the announcement of the Company dated 8 March 2022 regarding the First Shareholders' Loan Agreement and the Second Shareholders' Loan Agreement for the granting of the First Loan and Second Loan to the Borrower.

* *For identification purpose only*

LETTER FROM THE BOARD

On 27 July 2018, the First Shareholders' Loan Agreement was entered into between the Lenders and the Borrower pursuant to which the Lenders agreed to grant the First Loan to the Borrower for a term of 60 months commencing from the drawdown date. The First Loan was drawn down by the Borrower through the First Drawdown, the Second Drawdown and the Third Drawdown and the due dates for the repayment of the First Drawdown, the Second Drawdown and the Third Drawdown to the Group are on 23 September 2023, 7 August 2024 and 14 August 2024 respectively.

The First Loan was contributed by the Lenders in proportion to their respective shareholdings to the Borrower as to 49% by the Group and 51% by Innovative Group. The Group has contributed 49% amounting HK\$14,700,000 in the First Loan. As at the Latest Practicable Date, the First Loan and the accrued interest thereon remains outstanding.

On 8 March 2022, the Parties entered into the Second Shareholders' Loan Agreement pursuant to which the Lenders agreed to grant the Second Loan to the Borrower for a term of 60 months commencing from the drawdown date, the Second Loan was drawn down by the Borrower through the Fourth Drawdown, the Fifth Drawdown and the Sixth Drawdown and the due dates for the repayment of the Fourth Drawdown, the Fifth Drawdown and the Sixth Drawdown to the Group are on 16 June 2027, 5 January 2028 and 12 March 2028 respectively.

The Second Loan was contributed by the Lenders in proportion to their respective shareholdings to the Borrower and the Group has contributed 49% amounting HK\$5,880,000 in the Second Loan. As at the Latest Practicable Date, the Second Loan and the accrued interest thereon remains outstanding.

The outstanding amounts due from the Borrower to the Group (including principal sums and accrued interests as at 31 August 2024) under the First Shareholders' Loan Agreement and the Second Shareholders' Loan Agreement are set out below:

(i) First Shareholders' Loan Agreement:

	Principal Amount	Accrued Interest as at 31 August 2024	Total principal sums and accrued interests as at 31 August 2024
	<i>(HK\$)</i>	<i>(HK\$)</i>	<i>(HK\$)</i>
First Drawdown	4,900,000	1,454,790	6,354,790
Second Drawdown	2,450,000	621,000	3,071,000
Third Drawdown	7,350,000	1,855,920	9,205,920
Total	14,700,000	3,931,710	18,631,710

LETTER FROM THE BOARD

(ii) Second Shareholders' Loan Agreement:

	Principal Amount	Accrued Interest as at 31 August 2024	Total principal sums and accrued interests as at 31 August 2024
	<i>(HK\$)</i>	<i>(HK\$)</i>	<i>(HK\$)</i>
Fourth Drawdown	2,450,000	270,510	2,720,510
Fifth Drawdown	2,205,000	182,140	2,387,140
Sixth Drawdown	1,225,000	89,710	1,314,710
Total	5,880,000	542,360	6,422,360

The total outstanding amount (including the accrued interest as at 31 August 2024) under the First Shareholders' Loan Agreement and the Second Shareholders' Loan Agreement is approximately HK\$18,631,710 and HK\$6,422,360 respectively.

The First Drawdown, Second Drawdown and Third Drawdown were due to the Group on 23 September 2023, 7 August 2024 and 14 August 2024 respectively. The Group, being one of the Lenders, has in or about late September 2023 communicated with the Borrower to (i) request for repayment of the First Drawdown and the accrued interest thereon and (ii) remind the Borrower the repayment due dates of the Second Drawdown and the Third Drawdown. The Group was informed the Borrower was unable to repay any principal or interest accrued under the First Drawdown as no income or revenue has been generated by the Borrower under the situation that its only business, the innovation of the Product, has not yet commercialised. The Group has been keeping on tracking with the Borrower's availability on the repayment of the First Loan. In or about January 2024, the Borrower approached the Lenders and proposed to the Lenders to extend the repayment due dates of the First Loan. The Lenders then proceeded to negotiate with the Borrower on the terms of the First Loan Extension Agreement.

THE FIRST LOAN EXTENSION AGREEMENT

On 30 July 2024 (after the trading hours of the Stock Exchange), the Parties entered into the First Loan Extension Agreement pursuant to which the Lenders conditionally agreed to extend the repayment dates of the First Loan for a period of 36 months, hence, if the Extension Conditions have been fulfilled, the respective due dates for the repayment of the First Drawdown, the Second Drawdown and the Third Drawdown to the Group will be extended to 23 September 2026, 7 August 2027 and 14 August 2027 (collectively, the "**First Loan Extended Due Dates**"). Save for the First Loan Extension, all other terms and conditions of the First Shareholders' Loan Agreement remain unchanged and continue in full force and effect.

LETTER FROM THE BOARD

Conditions to The First Loan Extension

The First Loan Extension shall be conditional upon and subject to the following Extension Conditions:

- (a) the approval having been obtained from the Stock Exchange in respect of the First Loan Extension Agreement and the transactions contemplated thereunder;
- (b) all necessary consents and approvals required to be obtained on the part of the Lenders in respect of the First Loan Extension Agreement and the transactions contemplated thereunder having been obtained and remained in full force and effect; and
- (c) the passing of the necessary resolution(s) by the Shareholders to approve the First Loan Extension Agreement and the transactions contemplated thereunder.

The First Loan Extension shall take effect on the next Business Day when all the Extension Conditions are fulfilled. None of the Extension Conditions can be waived. If the Extension Conditions have not been fulfilled on or before 15 October 2024 (or such other date as the Lenders may agree) (the “**Termination Date**”), the First Loan Extension Agreement shall automatically lapse and be of no further effect, the Lenders shall be released from all obligations under the First Loan Extension Agreement and the Borrower shall immediately repay to the Lenders all the outstanding principal amount of the First Loan together with the unpaid interest accrued thereon. It is also stipulated in the First Loan Extension Agreement that the Lenders agreed to grant to the Borrower a waiver that not to take any steps to enforce or make demand for the repayment of the outstanding principal amount (or the accrued interest thereon) of the First Loan during the period from the date of the First Loan Extension Agreement to the Termination Date.

THE THIRD SHAREHOLDERS’ LOAN AGREEMENT

To enhance the financial resources of Smart Ascent Group and facilitate the progress of the clinical trial and further development of the Product, the Parties on 30 July 2024 entered into the Third Shareholders’ Loan Agreement pursuant to which the Lenders conditionally agreed to grant a further facility of up to HK\$20,000,000 to the Borrower for a term of 60 months commencing from the drawdown date at the interest rate of 5% per annum. The Facility will be contributed by the Lenders in proportion to their respective shareholdings to the Borrower and the Group will contribute 49% amounting up to HK\$9,800,000 in the Facility which will be funded by the internal resources of the Group.

LETTER FROM THE BOARD

Conditions to the granting of the Facility in the Third Shareholders' Loan Agreement

The drawdown of the Facility shall be conditional upon and subject to the following Third Loan Conditions:

- (a) the approval having been obtained from the Stock Exchange in respect of the Third Shareholders' Loan Agreement and the transactions contemplated thereunder;
- (b) all necessary consents and approvals required to be obtained on the part of the Lenders in respect of the Third Shareholders' Loan Agreement and the transactions contemplated thereunder having been obtained and remained in full force and effect; and
- (c) the passing of the necessary resolution(s) by the Shareholders to approve the Third Shareholders' Loan Agreement and the transactions contemplated thereunder.

The Third Shareholders' Loan Agreement shall take effect on the next Business Day when all the Third Loan Conditions are fulfilled (the "**Effective Date**") and the drawdown(s) of the Facility can be made within twenty-four (24) months after the Effective Date. None of the Third Loan Conditions can be waived. If the Third Loan Conditions have not been fulfilled on or before 15 October 2024 (or such other date as the Lenders may agree) (the "**Long Stop Date**"), the Third Shareholders' Loan Agreement shall automatically lapse and be of no further effect on and after the Long Stop Date and the Lenders shall be released from all obligations under the Third Shareholders' Loan Agreement.

The First Loan Extension and the grant of Facility under the Third Shareholders' Loan Agreement are not inter-conditional.

LETTER FROM THE BOARD

Principal Terms of the First Shareholders' Loan Agreement, Second Shareholders' Loan Agreement, the First Loan Extension Agreement and the Third Shareholders' Loan Agreement

Set out below are the brief summary on the terms of the First Shareholders' Loan Agreement, Second Shareholders' Loan Agreement, the First Loan Extension Agreement and the Third Shareholders' Loan Agreement:

	First Shareholders' Loan Agreement	Second Shareholders' Loan Agreement	First Loan Extension Agreement	Third Shareholders' Loan Agreement																																													
Date	27 July 2018	8 March 2022	30 July 2024	30 July 2024																																													
Lenders	(i) Extrawell (49%) (ii) Clear Rich (51%)	(i) Extrawell (49%) (ii) Clear Rich (51%)	(i) Extrawell (49%) (ii) Clear Rich (51%)	(i) Extrawell (49%) (ii) Clear Rich (51%)																																													
Borrower	The Borrower	The Borrower	The Borrower	The Borrower																																													
Principal amount of loan facilities	HK\$30,000,000	HK\$12,000,000	N/A	HK\$20,000,000																																													
Drawdown	<table border="1"> <thead> <tr> <th>First Drawdown (Drawdown Date)</th> <th>Second Drawdown (Drawdown Date)</th> <th>Third Drawdown (Drawdown Date)</th> <th>Fourth Drawdown (Drawdown Date)</th> <th>Fifth Drawdown (Drawdown Date)</th> <th>Sixth Drawdown (Drawdown Date)</th> </tr> </thead> <tbody> <tr> <td>Extrawell (24 September 2018)</td> <td>HK\$4,900,000 (8 August 2019)</td> <td>HK\$7,350,000 (15 August 2019)</td> <td>Extrawell (17 June 2022)</td> <td>HK\$2,450,000 (6 January 2023)</td> <td>HK\$1,225,000 (13 March 2023)</td> </tr> <tr> <td>Clear Rich (24 September 2018)</td> <td>HK\$5,100,000 (8 August 2019)</td> <td>HK\$7,650,000 (13 August 2019)</td> <td>Clear Rich (16 June 2022)</td> <td>HK\$2,295,000 (28 December 2022)</td> <td>HK\$1,275,000 (13 March 2023)</td> </tr> </tbody> </table>	First Drawdown (Drawdown Date)	Second Drawdown (Drawdown Date)	Third Drawdown (Drawdown Date)	Fourth Drawdown (Drawdown Date)	Fifth Drawdown (Drawdown Date)	Sixth Drawdown (Drawdown Date)	Extrawell (24 September 2018)	HK\$4,900,000 (8 August 2019)	HK\$7,350,000 (15 August 2019)	Extrawell (17 June 2022)	HK\$2,450,000 (6 January 2023)	HK\$1,225,000 (13 March 2023)	Clear Rich (24 September 2018)	HK\$5,100,000 (8 August 2019)	HK\$7,650,000 (13 August 2019)	Clear Rich (16 June 2022)	HK\$2,295,000 (28 December 2022)	HK\$1,275,000 (13 March 2023)	<table border="1"> <thead> <tr> <th>Fourth Drawdown (Drawdown Date)</th> <th>Fifth Drawdown (Drawdown Date)</th> <th>Sixth Drawdown (Drawdown Date)</th> </tr> </thead> <tbody> <tr> <td>Extrawell (17 June 2022)</td> <td>HK\$2,450,000 (6 January 2023)</td> <td>HK\$1,225,000 (13 March 2023)</td> </tr> <tr> <td>Clear Rich (16 June 2022)</td> <td>HK\$2,295,000 (28 December 2022)</td> <td>HK\$1,275,000 (13 March 2023)</td> </tr> </tbody> </table>	Fourth Drawdown (Drawdown Date)	Fifth Drawdown (Drawdown Date)	Sixth Drawdown (Drawdown Date)	Extrawell (17 June 2022)	HK\$2,450,000 (6 January 2023)	HK\$1,225,000 (13 March 2023)	Clear Rich (16 June 2022)	HK\$2,295,000 (28 December 2022)	HK\$1,275,000 (13 March 2023)	<table border="1"> <thead> <tr> <th>Lenders</th> <th>Drawdown (Due Date)</th> <th>Drawdown (Due Date)</th> </tr> </thead> <tbody> <tr> <td>Extrawell</td> <td>HK\$4,900,000 (23 September 2023)</td> <td>HK\$7,350,000 (14 August 2024)</td> </tr> <tr> <td>Clear Rich</td> <td>HK\$5,100,000 (23 September 2023)</td> <td>HK\$7,650,000 (12 August 2024)</td> </tr> </tbody> </table>	Lenders	Drawdown (Due Date)	Drawdown (Due Date)	Extrawell	HK\$4,900,000 (23 September 2023)	HK\$7,350,000 (14 August 2024)	Clear Rich	HK\$5,100,000 (23 September 2023)	HK\$7,650,000 (12 August 2024)	<table border="1"> <thead> <tr> <th>Lenders</th> <th>Drawdown (Extended Due Date)</th> <th>Drawdown (Extended Due Date)</th> </tr> </thead> <tbody> <tr> <td>Extrawell</td> <td>HK\$4,900,000 (23 September 2026)</td> <td>HK\$7,350,000 (14 August 2027)</td> </tr> <tr> <td>Clear Rich</td> <td>HK\$5,100,000 (23 September 2026)</td> <td>HK\$7,650,000 (12 August 2027)</td> </tr> </tbody> </table>	Lenders	Drawdown (Extended Due Date)	Drawdown (Extended Due Date)	Extrawell	HK\$4,900,000 (23 September 2026)	HK\$7,350,000 (14 August 2027)	Clear Rich	HK\$5,100,000 (23 September 2026)	HK\$7,650,000 (12 August 2027)
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Interest	5% per annum	5% per annum	5% per annum	5% per annum																																													
Security	No Security	No Security	No Security	No Security																																													
Repayment term	The Borrower shall repay the outstanding principal amount of each drawdown in full together with the accrued and unpaid interest in one lump sum on the respective due dates	The Borrower shall repay the outstanding principal amount of each drawdown in full together with the accrued and unpaid interest in one lump sum on the respective due dates	The Borrower shall repay the outstanding principal amount of each drawdown in full together with the accrued and unpaid interest in one lump sum on the First Loan Extended Due Dates	The Borrower shall repay the outstanding principal amount of each drawdown in full together with the accrued and unpaid interest in one lump sum on the due dates																																													
Due Dates	The dates falling on 60 months after the date of each drawdown	The dates falling on 60 months after the date of each drawdown	The dates falling on 36 months after the due dates of the First Drawdown, the Second Drawdown and the Third Drawdown (collectively, the "First Loan Extended Due Dates")	The date falling on 60 months after the date of each drawdown																																													
Purpose of the loan	For financing the Borrower's general working capital, including the operating expenses of Smart Ascent Group and research and development expenses related to the Product	For financing the Borrower's general working capital, including the operating expenses of Smart Ascent Group and research and development expenses related to the Product	For financing the Borrower's general working capital, including the operating expenses of Smart Ascent Group and research and development expenses related to the Product	For financing the Borrower's general working capital, including the operating expenses of Smart Ascent Group and research and development expenses related to the Product																																													
Funding of the loan facilities	The Group's contribution on the First Loan was financed by the internal resources of the Group	The Group's contribution on the Second Loan was financed by the internal resources of the Group	N/A	The Group's contribution on the Facility will be financed by the internal resources of the Group																																													

LETTER FROM THE BOARD

INFORMATION OF THE COMPANY AND THE GROUP

The Company is an investment holding company and the Group is principally engaged in the development, manufacture and sales of pharmaceutical products in PRC, the marketing and distribution of pharmaceutical products to customers in PRC, and the business of commercial exploitation and development of genome-related technology.

INFORMATION OF INNOVATIVE AND SMART ASCENT

Innovative

Innovative is an investment holding company and Innovative Group are principally engaged in the trading of beauty products and equipment, and research, development and commercialisation of the Product.

Smart Ascent

Smart Ascent is a company incorporated in Hong Kong with limited liability and the entire issued share capital of which is owned as to 51% by Innovative Group and 49% by the Group. Smart Ascent Group is principally involved in the development of the Product, recently the Product is undergoing the part B of phase III clinical trial which is considered as the final stage of clinical trial before commercialisation.

In 1998, the Borrower's subsidiary, Fosse Bio-Engineering Development Limited ("**Fosse Bio**"), and Tsinghua University, Beijing ("**THU**") entered into the agreements (together with their supplemental agreements in 2018 and 2024, collectively, the "**THU Collaboration Agreements** ") in connection with the research and development of the Product. Pursuant to the THU Collaboration Agreements, Fosse Bio has the exclusive right for the commercialisation, manufacturing and selling of the Product and upon commercialisation THU will be entitled to 1.5% of Fosse Bio's annual sales of the Product during the term of the THU Collaboration Agreements which has been renewed to 30 June 2027.

The Product characterised by oral administration of insulin is expected to provide effective treatments for the diabetics especially in the constantly growing diabetic population in PRC. The relevant technologies of the Product was developed by THU and the research team of the such technologies was led by two former professors of THU. The current team is still led by the two former professors of THU though both of them have been retired from teaching in THU and consists of expertises with academic backgrounds in the areas of biomedical, medicine, molecular biology and biotechnology. The core members of the team, in addition to the leaders of two former professors of THU, are holding doctorate degrees, master degrees and/or having experiences in clinical study from reputable universities in PRC such as THU, Southeast University, Shanghai Jiatong University and China Agricultural University.

LETTER FROM THE BOARD

Set out below are the audited financial information of Smart Ascent Group for the years ended 31 March 2024 and 2023:

	Year ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
Revenue	—	—
Net loss (before and after taxation)	7,079	12,979

The net assets of Smart Ascent Group attributable to the shareholders of the Borrower as at 31 March 2024 and 2023 were approximately HK\$71,273,000 and HK\$75,916,000 respectively. The major asset of the Smart Ascent Group is the intangible asset in relation to an in-process research and development project (the “**In-process R&D**”) involving the Product which is still at its clinical trial stage.

FINANCIAL EFFECTS OF THE FIRST LOAN EXTENSION AND THE GRANT OF THE FACILITY

Earnings

The First Loan was financed by the internal resources of the Group. There is no change in the consolidated net assets of the Company as a result of entering into the First Loan Extension Agreement and pursuant to which the Group will continue to generate interest income of HK\$735,000 annually.

The grant of the Facility will be financed by the internal resources of the Group and subject to the drawdown of the Facility, interest income will be generated at the relevant period.

Assets and liabilities

As at 31 March 2024, the audited total assets and liabilities of the Group were approximately HK\$1,287,189,000 (2023: HK\$1,444,874,000) and HK\$174,578,000 (2023: HK\$163,304,000) respectively, and the audited total current assets and current liabilities were HK\$177,442,000 (2023: HK\$178,663,000) and HK\$51,372,000 (2023: HK\$57,014,000) respectively. As at 31 August 2024, the Group’s cash and bank balances (excluding pledged bank deposits of approximately HK\$19,900,000) were approximately HK\$93,000,000.

If the First Loan Extension becoming effective, the balance in relation thereof as at the Latest Practicable Date under the current assets will be classified as non-current assets and continues to be subject to Expected Credit Loss assessment under Hong Kong Financial Reporting Standard 9 “Financial Instruments”. If the Facility provided by the Group under the Third Shareholders’ Loan Agreement is fully drawdown by the Borrower, an amount up to HK\$9,800,000 will be reduced at cash and bank balances under the current assets of the Group.

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It is expected that both the First Loan Extension and the grant of the Facility will not increase the liabilities of the Company or cause any material change to the earnings, assets and liabilities of the Group.

REASONS FOR AND BENEFITS OF THE FIRST LOAN EXTENSION AND THE ENTERING INTO THE THIRD SHAREHOLDERS' LOAN AGREEMENT

The Group is the 49% shareholder of the Borrower and Smart Ascent Group's major asset is the intangible asset in relation to an In-process R&D involving the Product. For the purpose of financing the working capital for Smart Ascent Group to process the innovation of the Product, the Group and Innovative Group as lenders and Smart Ascent as borrower entered into the Shareholders' Loan Agreements with the aim to provide working capital to the Borrower and the Group and Innovative Group had made contribution to the First Loan and Second Loan in proportion to their respective shareholdings in the Borrower.

Diabetes is a chronic disease characterised by high levels of glucose in the blood caused by the inability to produce insulin or use insulin effectively, or both that affects the long-lasting health condition of patients and the prevalence of diabetes may increase with age. The treatment of diabetes aims to maintain healthy blood glucose levels to prevent both short and long-term complications. According to the latest 10th edition of the Diabetes Atlas of International Diabetes Federation (“IDF”) issued in November 2021 and published on the website of IDF, it stated that in 2021 about 537 million adults would be living with diabetes worldwide, PRC has accounted for approximately 26% of the global diabetic population, of which the adult (that is 20–79 years old) diabetic population in PRC amounted to approximately 140.9 million and was estimated to rise to approximately 174.4 million by 2045. In light of the increasing figures on chronic diseases in particular the diabetes in PRC, market demand for quality diabetes drugs is expected to be enormous.

As at the Latest Practicable Date, to the best available information to the Directors, there is no such oral insulin drug available in PRC market, and, both the Company and the research team are expecting sooner or later there will be a breakthrough in the insulin drug in the world. The commercialisation of the Product in PRC is required to go through lengthy clinical trial stage and examinations from the government authorities, to the best available information of the Directors, as at the Latest Practicable Date, the Product is the only oral insulin product undergoing phase III clinical trial in PRC and it is expected that the Product will be the first oral insulin drug available in PRC market and once the Product is commercialised, it would bring substantial benefits to the Group.

To the best information of the Company, prior to the commercialisation of the Product in PRC, the Product is required to undergo certain processes including a) execution of clinical trial testing, conducting data and outcome analysis, and preparation of the clinical trial outcome report; b) arrangement for production and sourcing of raw materials and preparation for pre-marketing activities; and c) submission of clinical trial report to the National Medical Products Administration for its approval, applying for the new medicine certificate and manufacturing permit from the relevant authorities in PRC. Unfortunately, the innovation process of the Product had been

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disrupted and experienced delays by the Covid-19 pandemic since early 2020 due to the temporarily suspension of the operations of certain hospitals including some hospitals participated for the clinical trial of the Product. The situation is even worse when the emergence of the highly transmissible Omicron variant in early 2022 causing regional and citywide lockdowns in many parts of PRC which further impacted on clinical research activities. Following the pandemic control measures in PRC had been substantially lifted from early 2023, the prolonged pandemic disruptions was minimised, however, the clinical research activities were still impacted by the effect of supply-chain interruptions that it had taken longer time than expected for manufacturing the new batch of drug samples for clinical trial as planned. Although the production of the drug samples for clinical trial has been resumed recently, it still needs to go through the patient selection and enrolment process and those are the reasons for the Product still under the clinical trial stage as at the Latest Practicable Date.

In light of the aforesaid, the Company was informed by the Smart Ascent Group that it has reassessed the timeline for commercialisation of the Product, which is currently expected to be in around the first quarter of 2026.

To enhance the financing working capital of the Smart Ascent Group, including its operating expenses, the research and development expenses for the ongoing clinical trial for the Product, and facilitate the progress of the clinical trial of the Product, the injection of money by way of provisions of shareholders' loan (the provision of First Loan, Second Loan and the Third Loan) are considered necessary and is the most suitable fund raising method to the Smart Ascent Group. Given the Product is still at its clinical trial stage and yet to be commercialised in the market, Smart Ascent Group is not only unable to repay the First Loan at the moment, but also is requiring additional working capital to facilitate its operation and innovation costs. The Company is of the view that the Borrower's business is also considered as one of the Group's businesses and investments and the provision of the shareholders' loans are supporting the operation of its associate's business. The Board noted that the business of the Borrower is the innovation of the Product which will bring substantial profit to the Group once after commercialisation but before reaching the fruitful result, it is necessary to go through a lengthy process for innovation, as well as to inject a great amount of money to undergo the process of innovation. The First Shareholders' Loan Agreement and the Second Shareholders' Loan Agreement were entered into among the Parties in 2018 and 2022 respectively for funding to the innovation of the Product. Since the innovation process of the Product had been disrupted and experienced delays by the Covid-19 pandemic and, in considering that the commercialisation of the Product is estimated to be further delayed to the first quarter of 2026, the Parties since early 2024 had further discussions for further funding to the Borrower and/or innovation of the Product and it was estimated by the Borrower that the additional funding required to complete the clinical trials and commercialisation of the Product would be around HK\$20,000,000 and thus the Parties have on 30 July 2024 executed the First Loan Extension Agreement and the Third Shareholders' Loan Agreement for the First Loan Extension and the grant of the Facility respectively.

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The Company, together with Innovative and Smart Assent have all considered other methods of securing further finance to the Smart Assent Group to fund the development of its business, however, given the nature of business of the Smart Ascent Group as a new drug developer, it is extremely difficult, if not impossible, to obtain unsecured loan financing from financial or other institutions at normal and acceptable interest rates or the interest rates charged by those institutions will be very high and guarantees are required to be provided by the shareholders of the Borrower, including the Company, which the Directors consider may not be beneficial to the business of the Borrower and the interests of the Company as its 49% shareholder ultimately.

The Board considers after making its investment in the Product via equity in the Smart Assent Group, it will be more advantageous for the Company to make further investments in the Smart Assent Group in the form of debt under which the Company will stand in the same priority and position as Innovative compared with its equity position in the Smart Ascent Group as a 49% shareholder.

The Board understands that it is always have risk of providing the shareholders' loan to the Borrower that engages in the business of developing new drug, when deciding to grant a facility to the Borrower, the Board will go through the internal control procedure to assess the risk and monitor the recoverability of the facility. In granting the Facility, the Board considered that, as 49% shareholder of the Borrower, the Company has enough control and information access to the Borrower. The board of directors of the Borrower consists of three directors, one is nominated by the Group and the other two are nominated by Innovative Group. The formation of the board can make the Group better aware of the Borrower's business and financial situation. The Group has been obtaining the management accounts of the Borrower and can request the update of the progress of the In-process R&D.

The Borrower has been providing to the Group the progress update on the research and development of the Product and the details on the use of funds since the provision of First Loan. In the course of negotiating the terms of the First Loan Extension Agreement and the Third Shareholders' Loan Agreement, the Group as one of the Lenders had discussions with the Borrower including the progress of the In-process R&D, the difficulties encountered from the after-effect of the supply-chain interruptions after the Covid-19, the progress of manufacturing of new batch of drug samples for clinical trial and the progress of clinical trial with the patients and, the Board was informed and given to understand that the innovation progress is required to take longer time than expected. The Group has also been updated by the Borrower in June 2024 on the progress and status regarding the THU Collaboration Agreements including the term of which has been further extended to 30 June 2027 and a new batch of drug samples has been produced and processed for clinical trial.

The Borrower has also been providing with the Group the estimation of the working capital requirements of the Borrower and informed the Group for the progress of the clinical trial including the timeline for commercialisation of the Product. The Group was informed that about 70% of the Facility will be used for the research and development expenses of the Product and the remaining 30% for the operating expenses of the Borrower in Beijing and Shanghai, PRC.

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Given that the Borrower is required further injection of money to sustain the innovation of the Product and the Borrower is unable to repay the loans at the moment and may only be able to repay the loan after the commercialisation of the Product and to ensure that the timeline for commercialisation of the Product will be adhered to and will not be delayed further, the Company will closely monitor the management of the Smart Ascent Group to implement measures to ensure the Smart Ascent Group could reach the timeline for the commercialisation of the Product, which include (i) make effort to identify and mitigate potential risks and issues that may impact the timeline and devise action plans for these to enable prompt reaction when those events transpire; (ii) conduct post-clinical trial evaluation to identify area for improvement in an effort to optimise efficiency for the further clinical trial to be conducted; (iii) schedule more frequent and regular internal and external meetings with the manufacturer for clinical trial drug samples to update the progress when new batch of production is required; and (iv) reallocate and expand the search scope: a patient enrolment target was previously allocated to each selected hospital for the clinical trial. Those hospitals having achieved their patient enrolment targets ceased to recruit patients to enrol in the clinical trial beyond the targets. Renegotiation with these hospitals would be conducted so as to increase the chances of successful enrolment of more patients to the clinical trial.

The terms of the First Loan Extension Agreement and the Third Shareholders' Loan Agreement were negotiated on an arm's length basis among the Parties. The Directors have taken into account many factors including the term, the respective amounts and the interest rates of the First Loan Extension and the grant of the Facility, the working capital requirements of Smart Ascent Group, the prevailing prime lending rate charged on loans provided by commercial banks in Hong Kong, the available financial resources of the Group and the Group's position being one of the shareholders of the Borrower. The Company noted that the commercialisation of the Product is estimated to be done in and around the first quarter of 2026. When negotiated the term of extension of the First Loan and grant of Facility, the Parties did consider the timeline of commercialisation of the Product and the financial flexibility for the Borrower right after the launch of the Product. The Parties have consensus that the term for extending the repayment of the First Loan and the grant of the Facility is reasonable and fair to the Parties. By having more relaxation of time, the Borrower, being an associate of the Group, can have flexibility in managing its financial resources and it has flexibility in deciding to have early repayment of the loans or repay by the due dates and bearing the interest. The Board considered the respective terms are acceptable. The Directors have also considered that the First Loan Extension and the grant of the Facility would not affect the business operations of the Group having taken into account the Group's cash position, the cash flows and working capital requirements of its business operations for the coming three years. The loans to the Borrower and amount due from the Borrower are subject to Expected Credit Loss assessment under Hong Kong Financial Reporting Standard 9 "Financial Instruments" and in accordance with the Group's accounting policies. As at 31 March 2024, the accumulated impairment losses were approximately 26.8% and 17.85% on the gross carrying amount of the loans to the Borrower and the amount due from the Borrower respectively. The impairment losses provided on the loans to the Borrower had quadrupled from HK\$0.9 million to HK\$3.4 million during the year ended 31 March 2024 when compared to the corresponding period in 2023, primarily due to additional impairment provision applied with a higher rate on the First Drawdown and the interest thereon which was due on 23 September 2023. Meanwhile, as the Borrower is an associate of the Group, the Company is

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managed to make enquiries and obtain the financial information of the Borrower and the existing and future business plan for the Borrower's businesses. The Company will continue to monitor the relevant information and assess the Borrower's financial status, future development and the chance of the Company's exposure to credit risk, if any. Finally, save for the continuing operation of the existing business of the Group, the Group currently does not plan to acquire or invest in other material investment, and taking into account the Group's financial position, the business operation of the Group will not be adversely affected by the First Loan Extension and the grant of the Facility.

At the moment, based on the existing progress reported from the Borrower who has assessed the current situation, provided that there is no substantial adverse change on current situation like another large scale lockdown caused by serious spread of fatal diseases, the Board is of the view that it is less likely the Borrower may request additional financing from the Company for developing the Product for commercialisation.

Since the Board is of the view that the provision of the shareholders' loan to the Borrower is kind of a venture investment, and the Board considers the Product is an innovative medicine and regarded it as a valuable asset of the Borrower which has great potential to create profitable return to the Group once the Product is commercialised, despite there is no collateral to secure repayment or overdue payment interest or penalty of the loans, the Board is still optimistic that the Borrower will be able to settle all the outstanding sums of the shareholders' loan after the commercialisation of the Product.

As a minority shareholder of Borrower, the Group has been working closely with Innovative Group in supporting and monitoring the progress of the In-process R&D with a view to facilitating successful launching of the Product to the market. Driven by increasing market demands arising from the rising household income, accelerated aging population and increased healthcare awareness, the pharmaceutical industry in PRC is navigating towards quality development through structural transformation and upgrading.

Taking into account the Board is justified with the view that the return from the venture investments in the innovation of the Product when commercialised will bring expected return to the Group, the shareholders' loans contributed by the Lenders are in proportion to their respective shareholdings in the Borrower and the loan contributions are expected to be repaid after the commercialisation of the Product which is expected to be realised in the next few years, the Board considers that the terms of the First Loan Extension Agreement and the Third Shareholders' Loan Agreement were negotiated on arm's length basis among the Parties, which are on normal commercial term, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Basis of Interest Rate

The fixed annual interest rate of 5% under the First Loan Extension Agreement and the Third Shareholders' Loan Agreement was negotiated on an arm's length basis among the Parties based on (1) the fact that the interest rate under the First Shareholders' Loan Agreement and the Second

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Shareholders' Loan Agreement was by 5%; (2) the prevailing market interest rate for the major commercial banks in Hong Kong at the Latest Practicable Date (which is generally at 5.625% per annum); (3) the average interest rate of the Company's returns from making time deposits in the major commercial banks in Hong Kong; and (4) the Company's assessment on the business conditions of the Borrower as described under the section headed "Reasons for and Benefits of the First Loan Extension and the entering into the Third Shareholders' Loan Agreement" above.

The annual interest rate of 5% per annum on the principal amount of the Facility and for the three-year extension period of the First Loan is close to the prevailing best lending rate of 5.875% for Hong Kong dollars offered by major commercial banks in Hong Kong at the time of entering into the First Loan Extension Agreement and the Third Shareholders' Loan Agreement. The prevailing market interest rate by major commercial banks in Hong Kong is one of the references by the Board in determining the interest rate for the First Loan Extension and the Third Shareholders' Loan Agreement.

It should be noted that the provision of the First Loan including its extension, the Second Loan and the Facility are all the provisions of working capital to the Borrower in which the Company has a 49% equity interest and they should be distinguished from other commercial loans between lenders in the business of provision of loan facilities and third party borrowers independent of such lenders. The Company is not engaged in the business of provision of commercial loans to independent third-party borrowers, hence, in approaching the provisions of shareholder's loans to the Borrower, the Board adopts a different approach from lenders of commercial loans in the market. In particular, the Board will consider the purpose of the shareholder's loans to be made available to the Borrower, whether they are affordable to the Company and whether their terms and conditions are reasonable that can assist the Borrower to achieve the purpose which the Company may ultimately benefit on as equity and debt investor to the Borrower. Although the Board has considered comparable interest rates charged by financial institutions on commercial loan transactions, however, it is considered to fix the interest rate in comparable to commercial loan transactions in the financial markets will not serve all the purpose that the Company intends to achieve in providing the shareholder's loans to the Borrower.

As mentioned above, since the provision of the First Loan, the Second Loan and the proposed Facility are all provision of shareholder's loans to the Borrower for its business and the Board does not view them as business of the Company in providing commercial loans to independent third party borrower, the Board considers that by reason of the nature of those loans to the Borrower and it is expected that prior to commercialisation of the Product the only lenders of the Borrower will be its shareholders, i.e. Innovative Group and the Group, and there will be no other third party lender, the imposition of default interest on the First Loan, the Second Loan and the proposed Facility will not serve any real purpose.

As the Group is one of the shareholders of the Borrower, the Group shall by its best effort provide funding to facilitate the Borrower's business development which the Board believes would in turn give return to the Group. The fixed interest rate of 5% was negotiated on an arm's length

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basis among the Parties, and given that the loan contributions are regarded as venture investments by the Group, the Board is of the view that the interest rate 5% under the First Loan Extension and the Facility was determined on normal commercial terms and fair and reasonable.

The Group's bank balances and pledged bank deposits carry variable interest rates of 0.001% to 5.5% per annum and 4.7% to 5.5% per annum respectively for the year ended 31 March 2024. Hence, the annual interest rate of 5% on the principal amount of the loans under the First Loan Extension Agreement and the Third Shareholders' Loan Agreement is close to the upper range of the existing interest rates of the Group's bank balances and pledged bank deposits (when compared to deposit interest rates available from other commercial banks in Hong Kong).

To the best information of the Company, part from the First Loan and the Second Loan, the Borrower has not obtained any other loan or borrowing from any third party, hence, there was no cross default on any other loan or borrowing of the Borrower (as none exists) as a result of the default of the First Loan in September 2023.

Based on the above, the Directors consider that the interests derived from the First Loan Extension and the grant of the Facility which are arrived at after arm's length negotiation are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the Shareholders' Loan Agreements were entered into by the Group with the same Parties which are still valid and not yet expired, the entering into the First Loan Extension Agreement and the Third Shareholders' Loan Agreement require aggregation with the Shareholders' Loan Agreements ("**Aggregation**") pursuant to Rule 14.22 of the Listing Rules. As one of the applicable percentage ratios as defined under the Listing Rules (after the Company using its gross profits when calculating the profits ratio in computing the size tests) in respect of the Aggregation is more than 25%, the entering into of the First Loan Extension Agreement and the Third Shareholders' Loan Agreement constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, (i) each of the Borrower and Innovative Group does not hold any Share of the Company; (ii) Mr. Cheng Yong, being the executive Director, holds less than 0.2% of the Innovative Shares and approximately 6.14% (through himself, his spouse and controlled corporations) of the Shares of the Company; (iii) Dr. Lou, being the executive Director holds less than 0.5% of the Innovative Shares; (iv) Dr. Xie Yi, the chairman and executive Director, holds approximately 3.44% of the Innovative Shares; and (v) Dr. Mao Yumin, being a director of certain subsidiaries of the Company and a substantial shareholder of Innovative, holds approximately 28.87% of the Innovative Shares and approximately 7.94% of the Shares of the Company. Save for the Group is a 49% shareholder of the Borrower and as disclosed above, the Borrower, Innovative and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

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To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for the First Loan, Second Loan, the proposed grant of the Facility and First Loan Extension, there is, and in the past twelve months, there has been, no material loan arrangement between (a) the Borrower, any of its directors and legal representatives and/or any ultimate beneficial owner(s) of the Borrower who can exert influence on the transactions; and (b) the Company, any connected person at the Company's level and/or any connected person at the subsidiary level (to the extent that such subsidiary/subsidiaries is/are involved in the transactions).

According to the provisions of the Company's bye-laws each of the Directors is required to declare their respective interests at the Board meeting. All Directors at the Board meeting approving the First Loan Extension and the grant of Facility had duly declared their respective interests before voting on the relevant resolutions. In view of the interests of Mr. Cheng Yong, Dr. Lou Yi and Dr. Xie Yi in the Innovative Shares, each of them abstained to vote on the relevant resolutions of the Board approving the First Loan Extension and the grant of Facility to avoid any potential conflict of interest.

In light of the Borrower being a subsidiary of Innovative in which Dr. Mao Yumin holds approximately 28.87% of the Innovative Shares, he is considered as having material interest in the transactions contemplated under the First Loan Extension Agreement and the Third Shareholders' Loan Agreement under the Listing Rules. Accordingly, Dr. Mao Yumin and his associates are required to abstain from voting on the relevant resolutions at the SGM.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, no other Shareholder or any of their respective associates have any material interest in the transactions contemplated under the First Loan Extension Agreement and the Third Shareholders' Loan Agreement and no other Shareholder is required to abstain from voting on the relevant resolutions at the SGM.

THE SGM

The Company will convene the SGM at Room 1, United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 15 October 2024 at 11:00 a.m. for the Shareholders to consider, and if thought fit, to approve, among other things, the First Loan Extension Agreement and the Third Shareholders' Loan Agreement and the transactions contemplated thereunder. The notice of the SGM is set out on page SGM-1 to SGM-3 to this circular. The voting on resolutions to be proposed at the SGM will be conducted by way of poll in accordance with Rule 13.39 (4) of the Listing Rules.

The Company will publish an announcement on the results of the SGM with respect to whether or not the proposed resolutions have been passed by the Shareholders.

A form of proxy for use at the SGM is also enclosed. Whether or not you are able to attend the SGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM (or any adjournment thereof) to the Company's

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branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the SGM (or any adjournment thereof) should you so wish and in such event the relevant form of proxy shall be deemed to be revoked.

The Board confirms that to the best of their knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, there was no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholder and there was no obligation or entitlement of any Shareholder whereby he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares to a third party, either generally or on a case-by-case basis.

RECOMMENDATION

The Board considers that the terms and conditions of each of the First Loan Extension Agreement and the Third Shareholders' Loan Agreement and the transactions contemplated thereunder are arrived at after arm's length negotiation which are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favor of the resolutions to be proposed at the SGM to approve the First Loan Extension Agreement and the Third Shareholders' Loan Agreement and the transactions contemplated thereunder.

FURTHER INFORMATION

Your attention is drawn to the information set out in the appendices to this circular.

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

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for the three years ended 31 March 2022, 2023 and 2024 have been disclosed in the annual reports of the Company for the three years ended 31 March 2022, 2023 and 2024 respectively. The aforementioned annual reports have been published on both the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.extrawell.com.hk as follows:

- (A) in respect of the annual report of the Company for the year ended 31 March 2022 published on 28 July 2022 (pages 81 to 203):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0728/2022072800931.pdf>
http://www.extrawell.com.hk/catalog/pdf/2022072800931_E.pdf

- (B) in respect of the annual report of the Company for the year ended 31 March 2023 published on 28 July 2023 (pages 98 to 207):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0728/2023072800454.pdf>
http://www.extrawell.com.hk/catalog/pdf/2023072800454_e.pdf

- (C) in respect of the annual report of the Company for the year ended 31 March 2024 published on 26 July 2024 (pages 97 to 207):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0726/2024072600379.pdf>
http://www.extrawell.com.hk/catalog/pdf/2024072600379_2024AR.pdf

2. INDEBTEDNESS

As at the close of business on 31 August 2024, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this circular, the indebtedness of the Group was as follows:

Borrowings

As at the close of business on 31 August 2024, the Group did not have bank borrowings but had banking facilities on trade finance, which were supported by the pledge of the Group's fixed deposits of about HK\$19,900,000 and corporate guarantees of about HK\$18,000,000 from the Company and certain subsidiaries of the Company, and approximately HK\$ nil of the banking facilities had been utilised.

Lease Liabilities

As at the close of business on 31 August 2024, the Group had current and non-current lease liabilities of approximately HK\$1,416,000 and HK\$1,323,000 respectively in relation to the remaining lease terms of certain lease contracts, which are unsecured and unguaranteed.

Other Indebtedness

On 16 July 2013, the Company issued 20-year zero coupon convertible bonds with an aggregate principal amount of HK\$641,300,000 (the “**2013 Convertible Bonds**”) which is unsecured and unguaranteed. The 2013 Convertible Bonds are convertible at the option of their holders into ordinary shares of the Company at the initial conversion price of HK\$0.6413 per share on or before the seventh business day prior to the maturity date of 16 July 2033. As at 31 August 2024, the outstanding principal amount of the 2013 Convertible Bonds was HK\$577,170,000.

Save as aforesaid and apart from intra-group liabilities, at the close of business on 31 August 2024, the Group had no other outstanding loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptance or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other contingent liabilities. To the best knowledge of the Directors having made all reasonable enquiries, there has been no material change in indebtedness or contingent liabilities of the Group since 31 August 2024 and up to the Latest Practicable Date.

3. WORKING CAPITAL

The Directors, after taking into account the present internal financial resources available to the Group including internally generated cash flows and the existing banking and credit facilities available, are of the opinion that the Group has sufficient working capital for its requirements in the next 12 months from the date of publication of this circular.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in the businesses of the development, manufacture and sales of pharmaceutical products in PRC, the marketing and distribution of imported pharmaceutical products to customers in PRC and the commercial exploitation and development of genome-related technology.

The operating environment in PRC is highly challenging due to the impacts of the pandemic over the past years, the pharmaceutical industry, however, has generally demonstrated a stable and positive development trend. Despite the evolving market environment, the Group’s manufacturing segment has continued to deliver positive results during last financial year and the Group believes that the pharmaceutical manufacturing sector in PRC will continue to prosper guided by the development direction outlined in the 14th Five-Year Plan. As part of the Group’s development strategy, the Group has stayed focused on enhancing its production facilities and manufacturing capability of its manufacturing segment by allocating internal resources while streamlining the production processes to maximise production efficiency with the aim of manufacturing quality products and achieving profitability. As the pharmaceutical industry in PRC sees both challenges and opportunities in the post-pandemic era, the Group will continue to make efforts in pursuing revenue stream for its trading business and monitor the market trends to identify potential business opportunities.

The Group generally finances its operation with internally generated cash flow and the facilities granted by its principal banker in Hong Kong. The Group's business operations are not significantly affected by any seasonal and cyclical factors, except the long holidays due to statutory bridge holidays in PRC that may lead to lower Group's revenue and profit for the months in which these holidays are declared. There is no significant seasonality of borrowing requirements. As at 31 August 2024, the Group did not have bank borrowings. The banking facilities on trade finance to a maximum amount of HK\$18,000,000 provided to certain subsidiaries of the Company were supported by the pledge of the Group's fixed deposits of about HK\$19,900,000 and corporate guarantees of about HK\$18,000,000 from the Company and certain subsidiaries of the Company and there was no utilisation of the banking facilities on trade finance as at 31 August 2024. The Group's cash and cash equivalents comprising principally Hong Kong Dollars, United States Dollars and Renminbi, amounted to about HK\$93,000,000 (excluding the pledge bank deposits of about HK\$19,900,000) as at 31 August 2024.

Save for certain purchases are denominated in Euros, the Group's business transactions, assets and liabilities are principally denominated in Hong Kong dollars, United States dollars and Renminbi. The Group manages the foreign currency exposure by closely monitoring the foreign currency movements and may purchase foreign currencies at spot rate, when and where appropriate for meeting its payment obligations. No foreign currency hedges or other hedges have been made but the Group will use financial instruments for hedging purpose when considered appropriate.

Amid challenges and complexities from the external environment, the nation's unwavering commitment to deepening reforms and placing emphasis on innovation and technological advancement, have facilitated its economic and social development under 14th Five-Year Plan on track, and thereby fostering the high-quality development of the pharmaceutical industry in PRC. Driven by increasing market demand arising from the increased public awareness of health and the accelerated aging population coupled with the nation's strategic goals of building a "Healthy China", the pharmaceutical industry in PRC is expected to navigate quality development through structural transformation and efficiency improvement, and will continue to upgrade and undergo changes to meet unmet medical needs. Given the nation's demographic trend indicating the aging population is accelerating, the Group believes that potential opportunities will emerge from the huge medical needs and demand for quality pharmaceuticals is enormous, as such the Group will continue to allocate its internal resources to manufacture and develop quality products so as to meet market demand and enhance its core competitiveness in the long run. In addition, the diabetic population in PRC is expected to constantly increase with the rising aging population and life expectancy, the Group believes that market demand for quality diabetes products is enormous and the commercialisation of the oral insulin product in the future will generate returns to the Group's investments.

The Group believes that it has maintained a sound financial position, and remains cautiously optimistic on its long-term development. Embraced with both opportunities and challenges ahead, the Group will continue to strive for a sustainable development path for the Group.

5. MATERIAL ADVERSE CHANGE

The First Loan and the Second Loan were financed by internal resources of the Group. These reduced the cash resources of the Group at the time of drawdowns of the First Loan and the Second Loan by the Borrower. In respect of the cash resources of the Group, the default of the First Loan in September 2023 and assuming the possible default of the First Loan (as extended under the First Loan Extension Agreement) in September 2026, would involve an aggregate principal amount of HK\$14,700,000 in cash and accrued interest thereon, while assuming the possible default of the Second Loan in June 2027, it would involve the aggregate principal amount of HK\$5,880,000 in cash and accrued interest thereon. The cash position of the Group after the drawdowns by the Borrower of the First Loan and the Second Loan have been reflected in the consolidated results of the Group for the year ended 31 March 2024.

Subject to the approval of the grant of the Facility by the Shareholders, the Facility is to be financed by the internal resources of the Group and that the drawdowns by the Borrower for the Facility will reduce the cash resources of the Group in aggregate principal amount of HK\$9,800,000. Assuming the possible default of the Facility, the aggregate principal amount of HK\$9,800,000 in cash and the accrued interest on the Facility will be involved.

The Group conducts Expected Credit Loss assessment under Hong Kong Financial Reporting Standard 9 “Financial Instruments”, any impairment losses on the loan receivables (including accrued interest on the First Loan, Second Loan and the Facility) from the Borrower will be reflected in the relevant interim and annual (subject to audit) reporting periods.

Taking into account the Group’s cash position, the cash flows and the working capital requirements of its business operations for the coming three years, the Directors believe that the default and/or possible defaults as stated above had not or would not have material adverse effects on the financial position and business operations of the Company.

Save as disclosed above, as at the Latest Practicable Date, there are no material adverse change in the financial or trading position of the Group as at 31 March 2024, the date to which the latest audited consolidated financial statements of the Group were made up.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors and chief executive of the Company

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name of Director	Capacity and Nature of Interest	Number of Shares or underlying Shares	Approximate percentage of issued Shares
Dr. Xie Yi	Interest in controlled corporations	900,000,000 (Note 1)	37.66%
Mr. Cheng Yong	Beneficial owner, Interest in controlled corporations & Interest held by spouse	146,680,000 (Note 2)	6.14%

Notes:

- These 900,000,000 Shares represent conversion Shares to be allotted and issued to the bondholder, United Gene International Holdings Group Limited (“**UG International**”) upon exercise in full of the conversion rights by UG International, at conversion price of HK\$0.6413 per Share under the Company’s 20-year zero coupon convertible bonds issued on 16 July 2013 with principal amount of HK\$577,170,000 outstanding. One of the ultimate shareholders of UG International is Dr. Xie Yi who owns 33% shareholdings through Ease Gold Investments Limited, which is wholly owned by Dr. Xie Yi.

2. Shares in which Mr. Cheng Yong is interested consist of (i) 830,000 Shares beneficially held by him; (ii) 140,760,000 Shares as to 1,060,000 Shares and 139,700,000 Shares held by Merchandise Holdings Limited and United Gene Industry Group Limited respectively, both of which are directly wholly-owned by Mr. Cheng Yong; and (iii) 5,090,000 Shares held by Mr. Cheng Yong's spouse in which Mr. Cheng Yong is deemed to be interested in the same number of Shares in which his spouse is interested.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) were required, pursuant to the Model Code contained in the Listing Rules to be notified to the Company and the Stock Exchange.

(b) Interests of substantial Shareholders

As at the Latest Practicable Date, to the best knowledge of the Directors, the following persons (other than a Director and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were directly or indirectly, interested in 10% or more of the issued voting share capital of any other member of the Group:

Name of Shareholder	Capacity and Nature of Interest	Number of Shares or underlying Shares	Approximate percentage of issued Shares
Dr. Mao Yumin (Note 1)	Beneficial owner & Interest in controlled corporations	1,089,920,000	45.60%
Mr. Huang Zhenping	Beneficial owner	150,000,000	6.28%

Note 1: Shares in which Dr. Mao Yumin is interested consist of (i) 189,920,000 Shares beneficially held by him; and (ii) 900,000,000 Shares represent conversion Shares to be allotted and issued to the bondholder, UG International upon exercise in full of the conversion rights by UG International, at conversion price of HK\$0.6413 per Share under the Company's 20-year zero coupon convertible bonds issued on 16 July 2013 with principal amount of HK\$577,170,000 outstanding. One of the ultimate shareholders of UG International is Dr. Mao Yumin who owns 33% shareholdings through United Gene Holdings Limited, which is wholly owned by Dr. Mao Yumin.

As at the Latest Practicable Date, to the best knowledge of the Directors, the following persons, directly or indirectly, interested in 10% or more of the issued voting share capital of any other member of the Group (other than the Company).

Name of the company	Name of shareholder	Number of shares/Amount of registered capital held	Approximate percentage of interests
Grand Success Management Limited	Charmtex Investments Limited	10,000 shares of US\$ 1 each	20%
Changchun Extrawell Pharmaceutical Co., Ltd.	長春市韓都鼎業房地產策劃銷售有限公司	4,570,000 shares of RMB 1 each	10.06%

Save as disclosed in this circular, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, there was no other person who had any interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were directly or indirectly, interested in 10% or more of the issued voting share capital of any other member of the Group.

3. DIRECTORS' INTERESTS IN CONTRACTS OR ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 March 2024 being the date to which the latest published audited consolidated financial statements of the Group were made up.

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement subsisting as at the date of this circular which is significant in relation to the business of the Group.

4. LITIGATION

As at the Latest Practicable Date, the Directors were not aware of any litigation or claims of material importance pending or threatened against any member of the Group.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service contracts with any member of the Group, excluding contracts expiring or determinable by the employer within one year without payment of any compensation (other than statutory compensation).

6. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business apart from the business of the Group, which competed or was likely to compete, either directly or indirectly, with that of the Group.

7. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years preceding the date of this circular and are or may be material:

- (a) the First Loan Extension Agreement;
- (b) the Third Shareholder's Loan Agreement;
- (c) the deed of amendment and deed of waiver both dated 28 April 2023 executed by the Company and Innovative in relation to amendment of certain terms and conditions of the convertible bonds issued by Innovative; and
- (d) the share buy-back agreement dated 31 March 2023 entered into between 吉林省澤遠實業有限公司 as vendor (the “**Vendor**”) and Changchun Extrawell Pharmaceutical Co., Ltd. (“**Changchun Extrawell**”), a joint stock limited company incorporated in PRC and an indirect non-wholly owned subsidiary of the Company in relation to the share buy-back of 4,570,000 issued shares of Changchun Extrawell representing 9.14% of the total issued share capital of Changchun Extrawell held by the Vendor to be bought back by Changchun Extrawell.

8. EXPERT AND CONSENT

Not applicable.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.extrawell.com.hk) for a period of 14 days before the date of the SGM:

- (i) the First Loan Extension Agreement; and

- (ii) the Third Shareholder's Loan Agreement.

10. GENERAL

- (a) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the head office and principal place of business of the Company in Hong Kong is Suites 2206-08, 22nd Floor, Devon House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong.
- (b) The company secretary of the Company is Ms. Wong Sau Kuen who is qualified to act as a company secretary of the Company pursuant to Rule 3.28 of the Listing Rules.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The English text of this circular and the accompanying form of proxy shall prevail over this respective Chinese text in the case of inconsistency.

NOTICE OF SGM



EXTRAWELL PHARMACEUTICAL HOLDINGS LIMITED

精優藥業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00858)

NOTICE IS HEREBY GIVEN that a special general meeting of Extrawell Pharmaceutical Holdings Limited (the “**Company**”) will be held at Room 1, United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 15 October 2024 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions which will be proposed as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

- (1) “**THAT** the supplemental agreement dated 30 July 2024 (the “**Loan Extension Agreement**”) supplemental to the shareholders’ loan agreement dated 27 July 2018 (the “**First Shareholders’ Loan Agreement**”) entered into among Clear Rich International Limited and Extrawell (BVI) Limited as lenders and Smart Ascent Limited as borrower in relation to the extension of repayment dates of the loans granted under the First Shareholders’ Loan Agreement for a period of 36 months (a copy of the Loan Extension Agreement has been produced to the meeting marked “A” and signed by the Chairman of the meeting for the purpose of identification) be and is hereby approved, ratified and confirmed, and all the transactions contemplated thereunder be and are hereby approved, ratified and confirmed; and any one or more directors of the Company (the “**Directors**”) are hereby authorised for and on behalf of the Company to do all such acts and things (including, without limitation, signing, executing (under hand or under seal), perfecting and delivering all agreements, documents and instruments) and to take all such steps which in his/her opinion may be necessary, appropriate, desirable or expedient to implement and/or give effects to the transactions contemplated under the Loan Extension Agreement and to implement the transactions contemplated thereunder and to agree to such variation, amendment or waiver as are, in the opinion of the Directors, in the interests of the Company.”

* *For identification purpose only*

NOTICE OF SGM

- (2) “**THAT** a shareholders’ loan agreement dated 30 July 2024 (the “**Third Shareholders’ Loan Agreement**”) entered into among Clear Rich International Limited and Extrawell (BVI) Limited as the lenders and Smart Ascent Limited (the “**Borrower**”) as borrower in relation to the granting of a loan facility of up to a principal amount of HK\$20,000,000 to the Borrower (a copy of the Third Shareholders’ Loan Agreement has been produced to the meeting marked “B” and signed by the Chairman of the meeting for the purpose of identification) be and is hereby approved, ratified and confirmed, and all the transactions contemplated thereunder be and are hereby approved, ratified and confirmed; and any one or more directors of the Company (the “**Directors**”) are hereby authorised for and on behalf of the Company to do all such acts and things (including, without limitation, signing, executing (under hand or under seal), perfecting and delivering all agreements, documents and instruments) and to take all such steps which in his/her opinion may be necessary, appropriate, desirable or expedient to implement and/or give effects to the transactions contemplated under the Third Shareholders’ Loan Agreement and to implement the transactions contemplated thereunder and to agree to such variation, amendment or waiver as are, in the opinion of the Directors, in the interests of the Company.”

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

Hong Kong, 27 September 2024

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place of
business in Hong Kong:*
Suites 2206–08, 22nd Floor,
Devon House, Taikoo Place,
979 King’s Road,
Quarry Bay,
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the meeting above is entitled to appoint in written form one or, if he is the holder of two or more shares of the Company (“**Shares**”), more proxies to attend and vote instead of him/her/it. A proxy need not be a member of the Company.
2. In the case of joint holders of Shares, any one of such joint holders may vote, either in person or by proxy, in respect of such Shares as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the above meeting, personally or by proxy, that one of the said persons so present whose name stands first in the register in respect of such Shares shall alone be entitled to vote in respect thereof.
3. A form of proxy for use at the meeting is enclosed. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised, and must be deposited at the Company’s

NOTICE OF SGM

branch share registrar and transfer office in Hong Kong (“**Branch Registrar**”), Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) not less than 48 hours before the time fixed for holding the meeting (or any adjournment thereof).

4. The Company has fixed the close of business on 8 October 2024 (Hong Kong Time) as the record date (the “**Share Record Date**”) of the Shares. Holders of record of the Shares (as of the Share Record Date) are entitled to attend and vote at the SGM and any adjourned meeting thereof. For the purpose of determining members who are qualified for attending the above meeting, the register of members of the Company will be closed from 9 October 2024 to 15 October 2024 (both days inclusive), during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the meeting, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Branch Registrar at the above address by no later than 4:30 p.m. on 8 October 2024.
5. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above meeting (or any adjournment thereof) and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. The notice has been printed in English and Chinese. In the event of any inconsistency, the English text of this notice shall prevail over its Chinese text.

As at the date of this notice, the executive directors are Dr. Xie Yi, Mr. Cheng Yong, Dr. Lou Yi, Ms. Wong Sau Kuen and Dr. Guo Yi, and the independent non-executive directors are Mr. Fang Lin Hu, Ms. Jin Song and Dr. Zeng Li.