

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **Sinco Pharmaceuticals Holdings Limited**

### **兴科蓉医药控股有限公司**

*(Incorporated under the laws of the Cayman Islands with limited liability)*

**(Stock Code: 6833)**

## **PROPOSED CHANGE OF AUDITORS**

This announcement is made by Sinco Pharmaceuticals Holdings Limited (the “**Company**”, which together with its subsidiaries are collectively referred to as the “**Group**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Board (“**Board**”) of directors (“**Directors**”) of the Company announces that, subject to the passing of the relevant resolutions at an extraordinary general meeting of the Company (the “**EGM**”) to be convened and held to consider and approve, (i) Ernst & Young (“**EY**”) be removed as the auditor of the Group (the “**Proposed Removal**”) and (ii) subject to the passing of an ordinary resolution at the EGM for the Proposed Removal, Crowe (HK) CPA Limited (“**Crowe**”) be appointed as the new auditor of the Group (the “**Appointment**”) to fill the vacancy arising from the Proposed Removal and hold office until the conclusion of the next annual general meeting of the Company.

## **PROPOSED REMOVAL OF EY**

EY was re-appointed as auditor of the Group at the last annual general meeting of the Company held on 24 May 2019 to hold office until the conclusion of the next annual general meeting of the Company.

However, the Company and EY have been unable to reach a consensus on the audit fee of EY for the financial year ending 31 December 2019. After considering the facts and circumstances, the audit committee of the Company, having been delegated the power to oversee the effectiveness of the external auditor, was of the view that it would be in the best interest of the Company and its shareholders (the “**Shareholders**”) as a whole to replace EY with another sizeable accounting firm, and made a recommendation to the Board to seek the approval of the Shareholders regarding the Proposed Removal.

The Board is of the view that the Proposed Removal would enable the Company to carry out effective cost control and reduce operating expenses of the Company to better cope with the future business development of the Group and is in the best interest of the Company and its Shareholders as a whole. The Proposed Removal is subject to the passing of an ordinary resolution at the EGM pursuant to the articles of association of the Company (the “**Articles**”).

The Company has received a letter from EY confirming that there are no matters in connection with the Proposed Removal that need to be brought to the attention of the Shareholders or the creditors of the Company.

## **PROPOSED APPOINTMENT OF CROWE**

The Company believes that Crowe is a sizeable accounting firm which should be able to devote appropriate and adequate resources to handle the Company’s audit work for the year ending 31 December 2019.

The audit committee of the Company has assessed and considered that Crowe is eligible and suitable to act as auditor of the Group. The Board, with recommendation of the audit committee of the Company, proposes to appoint Crowe as the new auditor of the Group until the conclusion of the next annual general meeting of the Company, which will be subject to the passing of an ordinary resolution at the EGM for the Proposed Removal and completion of relevant audit engagement acceptance procedure of Crowe.

The Appointment is subject to the passing of an ordinary resolution at the EGM.

## **IMPLICATIONS OF THE LISTING RULES**

Pursuant to the Articles, the removal of an auditor before the expiration of his period of office shall require the approval of an ordinary resolution of the members in general meeting, and the Board may fill any casual vacancy in the office of auditor but while any such vacancy continues the surviving or continuing auditor, if any, may act.

Pursuant to Rule 13.88 of the Listing Rules, (a) the Company must not remove its auditor before the end of the auditor’s term of office without first obtaining Shareholders’ approval at a general meeting; (b) the Company must send a circular proposing the removal of the auditor to the Shareholders with any written representations from the auditor not less than 10 business days before the general meeting; and (c) the Company must allow the auditor to attend the general meeting and make written and/or verbal representations to the Shareholders at the general meeting.

In compliance with the Articles and the Listing Rules, the Proposed Removal will be proposed at the EGM as an ordinary resolution. The Appointment will be proposed at the EGM as an ordinary resolution.

The Board confirms that there are no matters in connection with the proposed change of auditors of the Group that should be brought to the attention of the Shareholders.

## THE EGM

The EGM will be convened and held for the purposes of considering and, if thought fit, approving the Proposed Removal and the Appointment. The circular containing (amongst other things) information on the Proposed Removal and the Appointment, together with a notice convening the EGM, is expected to be dispatched to the Shareholders on or before 9 July 2019.

The Directors (including the independent non-executive Directors) consider that the Proposed Removal and the Appointment are in the interests of the Company and the Shareholders as a whole, and recommend the Shareholders to vote in favour of the resolutions regarding the Proposed Removal and the Appointment at the EGM.

By order of the Board  
**Sinco Pharmaceuticals Holdings Limited**  
**Huang Xiangbin**  
*Chairman and Executive Director*

Sichuan, the PRC, 17 June 2019

*As at the date of this announcement, the executive Directors are Mr. Huang Xiangbin and Ms. Zhang Zhijie; and the independent non-executive Directors are Mr. Wang Qing, Mr. Liu Wenfang and Mr. Lau Ying Kit.*