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## **Sinco Pharmaceuticals Holdings Limited**

**兴科蓉医药控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6833)**

### **SUPPLEMENTAL ANNOUNCEMENT SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

Reference is made to the announcement issued by Sinco Pharmaceuticals Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 23 July 2021 (the “**Announcement**”) in relation to the Subscription. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, the Company intends to use the entire net proceeds arising from the Subscription of approximately HK\$84.06 million for general working capital purpose. Based on this, the Board would like to further inform the Shareholders and potential investors of the Company that the Company intends to apply the net proceeds from the Subscription of approximately HK\$84.06 million for the purposes and in the amounts set out below:

- i) approximately 70% of the net proceeds, or approximately HK\$58.84 million, to be used for settlement of cost arising from procurement of pharmaceutical products; and
- ii) approximately 30% of the net proceeds, or approximately HK\$25.22 million, to be used for the deposit of issuance of the letter of credit for purchasing pharmaceutical products from the overseas suppliers by the Group.

Having said that the Group conducts settlement by letter of credit and cash deposits for overseas purchase of pharmaceutical products while most of the trade receivables arising from domestic sales were covered by letter of credit issued by its customers, there would be working capital needs arise when the timing of settlement of those trade receivables could not match with that of the trade payable upon the maturity of each of the letter of credit. Therefore, the Company intends to use the net proceeds from the Subscription as working capital for satisfying the cash flow needs arising from such overseas and domestic trading and distribution arrangement.

Save as disclosed above, all other information and contents set out in the Announcement remain unchanged.

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

Hong Kong, 27 July 2021

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