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Sinco Pharmaceuticals Holdings Limited

兴科蓉医药控股有限公司

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

(Stock Code: 6833)

UPDATE ON THE FORENSIC INVESTIGATION AND THE INTERNAL CONTROL REVIEW

Financial Advisor



Diligent Capital Limited

This announcement is made by Sinco Pharmaceuticals Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 26 September 2022, 30 September 2022, 24 October 2022, 8 December 2022, 13 December 2022, 4 January 2023, 21 March 2023 and 27 April 2023 in relation to the Incident (the “**Announcements**”). Unless the context requires otherwise, the capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

UPDATE ON THE FORENSIC INVESTIGATION

As disclosed in the Company’s announcement dated 21 March 2023, the Independent Committee received a draft forensic investigation report (“**Draft Forensic Investigation Report**”) from the Forensic Accountant on 15 March 2023, with key findings set out in the aforesaid announcement.

Subsequently, in light of limitations relating to interviews and confirmations, the Forensic Accountant performed alternative procedures, details of which were set out in the Company’s announcement dated 27 April 2023.

On 4 July 2023, the Independent Committee received from the Forensic Accountant the final forensic investigation report (“**Final Forensic Investigation Report**”), with content the same as the Draft Forensic Investigation Report except that limitations relating to confirmations in the Draft Forensic Investigation Report have been updated as follows:

1. The Forensic Accountant sent confirmations to three Payees and the Repayment Party on 12 April 2023 regarding the nature and amount of the payments involved (“**Payment Particulars**”) as advised by the Company to the Forensic Accountant.
2. The Forensic Accountant received replies from one Payee and the Repayment Party, confirming the Payment Particulars related to them.
3. As at the date of this announcement, the confirmations from the other two Payees have not yet been received.

UPDATE ON THE INTERNAL CONTROL REVIEW

As disclosed in the Company’s announcement dated 27 April 2023, the Independent Committee has engaged Moore Advisory Services Limited as the internal control consultant (“**Internal Control Consultant**”) to review the findings from the Draft Forensic Investigation Report to ensure the Company has established adequate and effective controls to minimize the risk identified.

As advised by the Internal Control Consultant, they have completed the Phase 1 Review with remedial actions proposed to the Independent Committee for deficiencies identified. The Internal Control Consultant will conduct the Phase 2 Review in late August 2023 after the Company has completed the remediation suggested from the Phase 1 Review.

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

Sichuan, the PRC, 10 July 2023

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