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)

PROFIT WARNING

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

The board of directors (the "**Board**") of the Company wishes to inform the shareholders and potential investors of the Company that, based on a preliminary assessment of the unaudited management accounts of the Group for the financial year ended 31 December 2016 (the "**Reporting Period**"), the Group expects to record a significant decline in profit by approximately RMB50.0 million for the Reporting Period as compared with that for the year 2015. This is mainly attributable to:

(i) due to the temporary delay in supply of Human Albumin Solution, the Group is expected to record a significant decline in sales volume and revenue; meanwhile, the depreciation of RMB against the U.S. dollar led to a significant increase in purchase cost. Affected by the two reasons, the Group's gross profit is expected to decrease by approximately RMB48.0 million during the Reporting Period; and

(ii) in order to adapt to the changes in pharmaceutical policies and market, the Group has taken a series of moves to strengthen the professional construction of internal marketing team, and optimizing marketing network. The Group also proactively investigates and seeks for products with high growth potential in the domestic pharmaceutical market. As a result, the Group is expected to record an increase in staff costs, market promotion expenses and intermediary professional service fees as compared with those for the year 2015.

The Company is in the process of finalising the results of the Group for the Reporting Period. The information contained in this announcement is only a preliminary assessment by the Board with reference to the latest information currently available which has not been audited nor reviewed by the Company's auditor and maybe subject to change. The actual results for the Reporting Period may be different from what is disclosed in this announcement. Shareholders and potential investors of the Company are advised to read the announcement of the results for the Reporting Period carefully, which is expected to be announced in March 2017.

Shareholders and potential investors of the Company are advised to exercise caution in dealing in the shares of the Company.

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

Hong Kong, 20 January 2017

As at the date of this announcement, the executive directors of the Company are Mr. Huang Xiangbin and Ms. Zhang Zhijie, and the independent non-executive directors of the Company are Mr. Chow Siu Lui, Mr. Wang Qing and Mr. Liu Wenfang.