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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 and 21 March 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 Forensic Investigation encountered limitations relating to interviews and confirmations. In light of these limitations, the Forensic Accountant performed alternative procedures by further sending confirmations to all the concerned parties (“**Confirmations**” and each a “**Confirmation**”) based on the latest public information available to the Forensic Accountant.

As at the date of this announcement, no Confirmation has yet been received by the Forensic Accountant.

UPDATE ON THE INTERNAL CONTROL REVIEW

As disclosed in the Company's announcement dated 21 March 2023, the Independent Committee decided to engage an internal control consultant to review the internal control system of the Group taking the recommendations from the Forensic Accountant.

Accordingly, on 21 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 Forensic Investigation Report to ensure the Company has established adequate and effective controls to minimize the risk identified.

The scope of the internal control review included the following for the period from 1 January 2022 to 31 March 2023:

1. procurement process (goods and services);
2. treasury and investment process; and
3. financial reporting and disclosures process.

Set out below is the tentative timetable for the internal control review:

Date	Milestones
Week of 24 Apr 2023	The desktop review of the internal control policies will commence
May 2023	The on-site review will commence
Week of 9 Jun 2023	The first draft of the internal control review report (" Phase 1 Review ") will be ready.
Around late Aug 2023	The follow-up review (" Phase 2 Review ") will be conducted after the Company completed the remediation suggested by the Internal Control Consultant during the Phase 1 Review.
Mid-Sep 2023	The report of the Phase 2 Review will be ready.

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

Sichuan, the PRC, 27 April 2023

As at the date of this announcement, the executive Director 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.