

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)

CONNECTED TRANSACTION IN RELATION TO THE PROVISION OF FINANCIAL ASSISTANCE TO THE CONNECTED PERSON

Financial adviser to the Company



Diligent Capital Limited

THE PROVISION OF FINANCIAL ASSISTANCE

On 1 March 2021, Hong Kong Prosperous, a wholly-owned subsidiary of the Company, entered into the Loan Agreement with Mr. Huang, an executive Director. Under the Loan Agreement, Hong Kong Prosperous agreed to provide an interest-free loan with a principal amount of HK\$5,000,000.

LISTING RULES IMPLICATIONS

As of the date of the Loan Agreement, Mr. Huang is the executive Director and a substantial shareholder of the Company (as defined under the Listing Rules), hence, Mr. Huang is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Loan Agreement constituted a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios (as defined under the Listing Rules) in respect of the provision of the Loan are above 0.1% but less than 5%, the transaction was therefore only subject to the reporting and announcement requirements, but was exempt from the independent shareholders' approval requirement under the Listing Rules at the material time.

BREACH OF THE APPLICABLE LISTING RULES

Due to an inadvertent oversight, the failure by the Company to issue an announcement in relation to the Loan Agreement at the material time constituted a breach of the Listing Rules.

The Directors would like to clarify that the non-compliance with the applicable Listing Rules arose from a misinterpretation. As a result, the Board was unaware of this issue until it was identified during the regular review of the Group's documents and records. The Directors wish to stress that the non-compliance regarding the announcement requirements under Chapter 14 and Chapter 14A of the Listing Rules was unintentional and inadvertent.

THE PROVISION OF FINANCIAL ASSISTANCE

On 1 March 2021, Hong Kong Prosperous, the wholly-owned subsidiary of the Company, and Mr. Huang, the executive Director, entered into the Loan Agreement. Set out below are principal terms of the Loan Agreement:

THE LOAN AGREEMENT

Date:	1 March 2021
Parties:	(i) Mr. Huang, as the borrower; and (ii) Hong Kong Prosperous, as the lender
Principal amount:	HK\$5,000,000
Maturity date:	30 June 2021 (the “ Maturity Date ”)
Repayment:	Mr. Huang shall repay the entire outstanding principal amount of the Loan on the Maturity Date.
Interest and security:	Interest-free and unsecured

REASONS OF ENTERING INTO THE LOAN AGREEMENT

In light of the travel restrictions imposed by COVID-19 pandemic in 2021, Mr. Huang was unable to travel to Hong Kong to complete certain banking transactions in person. Therefore, on 1 March 2021, Mr. Huang secured a loan of HK\$5 million from Hong Kong Prosperous.

The Directors would like to clarify that in 2021, Hong Kong and the PRC faced significant challenges due to the widespread effects of the COVID-19 pandemic, which led to a majority of employees, including Mr. Huang, working remotely. To facilitate ongoing business negotiations, Mr. Huang needed to secure short-term cash flow. However, he was unable to travel to Hong Kong to complete certain banking transactions in person. As a result, the Group agreed to provide the Loan at that time.

It is important to highlight that the Loan was fully repaid on 25 June 2021. Due to the relatively small amount involved, the Group inadvertently overlooked the relevant implications of the applicable Listing Rules, which ultimately led to an omission in fulfilling the necessary requirements and a breach of the Listing Rules.

INFORMATION OF THE GROUP, HONG KONG PROSPEROUS AND MR. HUANG

The Group

The Group is principally engaged in the provision of comprehensive marketing, promotion, and channel management services for imported pharmaceutical products and medical devices in the PRC.

Hong Kong Prosperous

Hong Kong Prosperous is a limited liability company incorporated in Hong Kong and is principally engaged in the sale of pharmaceutical products. As at the date of this announcement, Hong Kong Prosperous is an indirect wholly-owned subsidiary of the Group.

Mr. Huang

Mr. Huang is the executive Director, Chairman, and substantial shareholder of the Company (as defined under the Listing Rules). As such, Mr. Huang is a connected person of the Company under Chapter 14A of the Listing Rules.

LISTING RULES IMPLICATIONS

As of the date of the Loan Agreement, Mr. Huang is the executive Director and a substantial shareholder of the Company (as defined under the Listing Rules), hence, Mr. Huang is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Loan Agreement constituted a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios (as defined under the Listing Rules) in respect of the provision of the Loan are above 0.1% but less than 5%, the transaction was therefore only subject to the reporting and announcement requirements, but was exempt from the independent shareholders' approval requirement under the Listing Rules at the material time.

BREACH OF THE APPLICABLE LISTING RULES

Due to an inadvertent oversight, the failure by the Company to issue an announcement in relation to the Loan Agreement at the material time constituted a breach of the Listing Rules.

The Directors would like to clarify that the non-compliance with the applicable Listing Rules arose from a misinterpretation. As a result, the Board was unaware of this issue until it was identified during the regular review of the Group's documents and records. The Directors wish to stress that the non-compliance regarding the announcement requirements under Chapter 14 and Chapter 14A of the Listing Rules was unintentional and inadvertent.

REMEDIAL MEASURES

The Company has been taking remedial action to tighten its internal control procedures to ensure timely compliance with the Listing Rules and to prevent recurrence of similar incidents. The Company will implement the following remedial measures:

- (i) the Company has established an internal control and corporate governance committee to conduct itself, or through engagement of a third-party consultant, a thorough review of its financial reporting procedures and internal control policies. This committee will identify any deficiencies and make recommendations for addressing these issues. Additionally, this committee will evaluate the Company's remedial measures and prepare a final report after completing its review;
- (ii) an internal training session has been arranged for all the directors and senior management/relevant personnel of the Company and its subsidiaries to explain the requirements under Chapter 14 and Chapter 14A of the Listing Rules;
- (iii) a reporting hierarchy will be established to oversee transactions at a predetermined amount, along with the necessary documentation for each transaction. This framework aims to avoid any oversight and to reduce the risk of any events that may violate the Listing Rules; and
- (iv) on an ongoing basis, the Company has worked more closely with its company secretary and legal advisers on compliance issues and shall, as and when appropriate and necessary, seek advice from external legal or other professional advisers on whether this will trigger any disclosure or compliance requirements under the Listing Rules before providing loan to an entity or entering into any potential notifiable transaction.

In addition to the aforementioned, the Company intends to engage an independent internal control consultant to conduct a specific comprehensive review of the Group's internal control systems, as well as the policies and procedures related to the cash and treasury management cycle, and will provide the Group's management team with specific recommendations for improvements. The Company is committed to transparency and will issue further announcements regarding any updates on this engagement, including the progress and findings of the review, in accordance with the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“Board”	the board of Directors
“Chairman”	the chairman of the Board
“Company”	Sinco Pharmaceuticals Holdings Limited (興科蓉醫藥控股有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 6833)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Prosperous”	Hong Kong Prosperous Group Holding Limited, a limited liability company established in Hong Kong, an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in the principal amount of HK\$5,000,000 provided by Hong Kong Prosperous to Mr. Huang pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 1 March 2021 entered into between Hong Kong Prosperous as the lender and Mr. Huang as the borrower
“Mr. Huang”	Mr. Huang Xiangbin (黃祥彬), the Chairman, executive Director and a Company’s substantial Shareholder
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan

“Share(s)”	ordinary share(s) in the capital of the Company with a nominal value of HK\$0.0001 each
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

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

Sichuan, the PRC, 30 May 2025

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