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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE CONTINUING CONNECTED TRANSACTION

Reference is made to the announcement issued by Sinco Pharmaceuticals Holdings Limited on 22 June 2026 (the “**Announcement**”) regarding the amendments to the term of a guarantee agreement dated 30 September 2024, entered into between the Company and Mr. Huang Xiangbin (the “**Amendments**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company would like to provide the following additional information regarding the Amendments.

1. Actual guarantee fee paid to Mr. Huang since 30 September 2024

The Board would like to provide additional information that, since the date of the Guarantee Agreement (i.e., 30 September 2024), the Company has paid a total of approximately RMB13,581,500 in guaranteed fees to Mr. Huang after the first guarantee period (i.e., 1 October 2024 to 30 September 2025).

2. Details of the guarantee contracts signed between Mr. Huang and the respective financial institutions for the loan extended to the Group

As of the date of this announcement, Mr. Huang entered into eight guarantee contracts with various financial institutions in respect of loans extended to the Group. The material terms of these guarantees are substantially consistent across the eight contracts: each contract requires Mr. Huang to guarantee the Group’s obligations to the relevant lender, and the guaranteed scope expressly covers principal, interest, default interest, penalty charges, other costs payable as a result of the Group’s failure to perform agreed obligations, and the expenses incurred by the relevant lender in enforcing its claims.

The guarantees were provided at the lender's request as a condition to granting credit. During the Group's loan negotiations, the financial institutions clearly stated that a personal guarantee from the major shareholder was necessary for approval of the facilities. The Board evaluated this requirement in light of the Company's liquidity needs and treasury management, and determined that accepting the guarantee requirement was necessary to secure funding on commercially acceptable terms.

The Board would like to highlight that personal guarantees from major shareholders have been a standard practice for the Company's previous annual bank facilities. Historically, Mr. Huang offered these guarantees at no cost until he first requested the Guarantee Fees under the Guarantee Agreement.

3. Detailed basis for determining the revision of the payment terms of the Guarantee Fees

The Board considered a range of market references and comparable transactions before agreeing to revise the payment terms and concluded the revised terms are commercially reasonable. In particular, the Board reviewed two independent third-party references: (i) an executed guarantee services agreement between the Group and an independent guarantee provider under which the provider requires a one-off lump-sum guarantee fee to be paid before the guarantee becomes effective for a one-year guarantee; and (ii) a separate written quotation from another independent guarantee provider that specifies the same practice (lump-sum fee payable in advance). These two direct market references demonstrated that upfront lump-sum payments are used in comparable guarantee arrangements.

In addition, the Board reviewed publicly disclosed practices of four companies listed in Hong Kong to gain insights into the range of commonly adopted payment terms for guarantee fees. The findings indicate that these examples explicitly outline arrangements for quarterly settlements or payments due at the end of each calendar quarter. This analysis suggests that the practice of quarterly settlements in arrears is a prevalent approach for ongoing guarantees within the market.

On that basis, the Board concluded there is an established range of market practice, from upfront lump-sum payment (common for certain one-off or short-term guarantees) to quarterly in-arrears settlement (common for ongoing facilities), and that the revised payment terms fall within that commercial spectrum and are fair and reasonable to the Company.

4. Detailed reasons for entering into the Side Letter

The Company would like to clarify that, as mentioned above, the Board reviewed market references and comparable transactions, which demonstrate an established spectrum of practice ranging from upfront lump-sum payments to quarterly in-arrears settlements for ongoing facilities, and concluded that the revised terms fall within normal commercial parameters.

Furthermore, although the Side Letter does not change the fee calculation, switching to quarterly payments makes it more granular and actionable for the Company to monitor the effective cost of guarantees relative to financing costs, for the following reasons.

- i) Quarterly payments create regular, discrete data points that can be compared directly with the Group's quarterly interest expense and loan repayments. Even with the same fee formula, a quarterly invoice showing utilization allows simple quarter-by-quarter ratio analysis. The same comparisons are difficult to make with a single annual payment, without reconstructing intra-year activity from bank records;
- ii) Quarterly settlements improve cash-flow matching and variance analysis. Each quarter, the Company can reconcile utilisations with bank confirmations and internal records, spot deviations quickly, and calculate the incremental guarantee cost caused by those changes, enabling timely management action instead of discovering issues only at year-end;
- iii) More frequent reporting supports rolling forecasts and short-term funding decisions. Quarterly fee data feeds directly into cash-flow forecasts, so finance can compare marginal guarantee costs with alternative funding and adjust strategy if quarterly trends diverge; and
- iv) Quarterly settlements strengthen governance and control. The Board and finance team receive regular confirmation of exposures and fees, allowing faster resolution of discrepancies and clearer operational oversight.

Critically, the Board took account of Mr. Huang's commercial indication that he may cease providing guarantees if mutually acceptable terms cannot be reached. Given the potential immediate risk to the Company's access to bank facilities and the operational and liquidity advantages of quarterly settlement, the Board believes the revised payment terms represent a proportionate, commercially justified measure to preserve the Group's banking relationships and financial stability.

In light of the above, the Board (including the independent non-executive Directors) considers the revision of the payment terms from an annual lump-sum to quarterly payments to be fair, reasonable and in the interests of the Company and its Shareholders as a whole.

Save as disclosed above, the Board confirms that all information in the Announcement remains unchanged. This announcement is supplemental to and should be read in conjunction with the Announcement.

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

By Order of the Board
Sinco Pharmaceuticals Holdings Limited
Huang Zhijian
Chairman and executive Director

Sichuan, the PRC, 15 July 2026

As at the date of this announcement, the executive Directors are Mr. Huang Zhijian and Mr. Lei Shifeng; 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.