

Hong Kong Exchange 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)

ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE: TERMINATION OF AMENDED AND RESTATED SUBSCRIPTION AGREEMENT

Reference is made to the announcements of the Company dated 12 October 2017, 7 December 2017, 17 January 2018, 27 March 2018 and 23 April 2018 (the “**Announcements**”) and the circular of the Company dated 11 December 2017 (the “**Circular**”) in relation to, inter alia, the Convertible Bonds and the Loan. Unless otherwise specified, capitalised terms used herein shall have the same meaning as those defined in the Announcements and the Circular.

Subject to certain conditions set out in the Amended and Restated Subscription Agreement, the completion of any tranche of the First Part CB subsequent to the completion of the first tranche of the First Part CB shall take place on the 21st trading day after completion of the previous tranche of the First Part CB. Although the conditions precedent for the subscription by the Subscriber for each of the second to fifth tranches of the First Part CB were all fulfilled or waived, the completion of the such tranches has yet to take place.

The Company wishes to announce that on 29 May 2018 (after trading hours), the Company terminated the Amended and Restated Subscription Agreement by written notice to the Subscriber pursuant to the terms contained therein (the “**Termination**”). The reason for the Termination was that in breach of the Amended and Restated Subscription Agreement, the Subscriber failed to perform its obligation to make payment of the Subscription Price of US\$5,000,000 for each of the second to fifth tranches of the First Part CB when they became due and payable. Despite the Company devoting considerable efforts to communicate with the Subscriber for the past few months, as at the date of this announcement, the Subscriber had been and continues to be in breach of the Amended and Restated Subscription Agreement for over three months. Due to the breach of the Amended and Restated Subscription Agreement on the Subscriber’s part and without prejudice to all the Company’s rights to claim against the Subscriber thereunder, the Company gave written notice to the Subscriber to terminate the Amended and Restated Subscription Agreement with all the Company’s rights reserved.

The net proceeds from the issuance of the first five tranches of the First Part CB was intended to be applied for the repayment of the principal and accrued interest of the Existing Bonds. In late April 2018, the Company borrowed the Loan from the Lender and used the Loan to repay the principal and accrued interest of the Existing Bonds. As disclosed in the Circular, a substantial part of the Convertible Bonds will be used for the acquisition of hospitals or ancillary and related business and expenditures of the hospitals. As at the date of this announcement, the Company has not entered into any definitive and binding agreement for any acquisition of hospital(s). In the event that any acquisition of hospital(s) materializes, the Company will raise funds for such acquisition when needed. Therefore, the Directors are of the view that there is no material adverse effect on the Group's business operation and financial position as a result of the Termination.

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

Sichuan, the PRC, 29 May 2018

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.