

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sinco Pharmaceuticals Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.



**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)**

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE SHARES AND  
REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Sinco Pharmaceuticals Holdings Limited to be held at Aegean, Room I, 1st Floor, Sheraton Dameisha Resort, 9 Yankui Road, Dameisha, Yantian, Shenzhen, the PRC on Friday, 24 May 2019 at 9:30 a.m. is set out on pages 17 to 21 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.sinco-pharm.com](http://www.sinco-pharm.com)). Whether or not you are able to attend the annual general meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the annual general meeting (or any adjournment thereof) if they so wish.

# CONTENTS

|   |             |
|---|-------------|
|   | <i>Page</i> |
| <b>DEFINITIONS</b> .....  | 1           |
| <b>LETTER FROM THE BOARD</b>  |             |
| Introduction .....  | 3           |
| Issue Mandate to Issue Shares .....                                     | 4           |
| Repurchase Mandate to Repurchase Shares .....                           | 4           |
| Re-election of Directors .....  | 4           |
| Notice of Annual General Meeting .....                                  | 7           |
| Form of Proxy .....   | 8           |
| Voting by Poll .....  | 8           |
| Recommendation .....  | 8           |
| Responsibility Statement .....  | 9           |
| <b>APPENDIX I — DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION</b> ..... | 10          |
| <b>APPENDIX II — EXPLANATORY STATEMENT</b> .....                        | 14          |
| <b>NOTICE OF ANNUAL GENERAL MEETING</b> .....                           | 17          |

## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions shall have the followings meanings:*

|                           |   |
|---------------------------|---|
| “Annual General Meeting”  | the annual general meeting of the Company to be held at Aegean, Room I, 1st Floor, Sheraton Dameisha Resort, 9 Yankui Road, Dameisha, Yantian, Shangzhen, the PRC on Friday, 24 May 2019 at 9:30 a.m., or any adjournment thereof and notice of which is set out on pages 17 to 21 of this circular |
| “Articles of Association” | the amended and restated articles of association of the Company adopted on 1 February 2016 and effective on 10 March 2016, and as amended from time to time   |
| “Board”                   | the board of Directors  |
| “Companies Law”           | the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented or otherwise modified from time to time  |
| “Company”                 | Sinco Pharmaceuticals Holdings Limited (興科蓉醫藥控股有限公司), an exempted company incorporated on 16 March 2015 in the Cayman Islands with limited liability, with its shares listed on the main board of the Stock Exchange  |
| “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  |
| “Issue Mandate”           | a general mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and/or deal with Shares not exceeding 20% of the number of issued Shares as at the date of passing of the relevant resolution granting the Issue Mandate                                    |

## DEFINITIONS

|                                    |  |
|------------------------------------|--|
| “Latest Practicable Date”          | 12 April 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular   |
| “Listing Date”                     | 10 March 2016, being the date on which dealings in the Shares first commenced on the Stock Exchange  |
| “Listing Rules”                    | the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time  |
| “Nomination Committee”             | the nomination committee of the Company  |
| “PRC”                              | the People’s Republic of China   |
| “Repurchase Mandate”               | a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10% of the number of the issued Shares as at the date of passing of the relevant resolution granting the Repurchase Mandate |
| “RMB”                              | Renminbi, the lawful currency of the PRC   |
| “Securities and Futures Ordinance” | the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time   |
| “Share(s)”                         | ordinary share(s) of nominal value of HK\$0.0001 each in the share capital of the Company  |
| “Shareholder(s)”                   | the holder(s) of the Share(s)  |
| “Stock Exchange”                   | The Stock Exchange of Hong Kong Limited  |
| “Takeovers Code”                   | the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong, as amended from time to time   |
| “%”                                | per cent   |



**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)**

*Executive Directors:*

Mr. Huang Xiangbin

Ms. Zhang Zhijie

*Independent Non-executive Directors:*

Mr. Lau Ying Kit

Mr. Wang Qing

Mr. Liu Wenfang

*Registered office:*

PO Box 309

Ugland House

Grand Cayman, KY1-1104

Cayman Islands

*Corporate headquarters:*

E5-1805, Global Centre

No.1700, North Section of Tianfu Avenue

High-Tech Zone, Chengdu

Sichuan, PRC

*Principal place of business in Hong Kong:*

Unit 3105, Office Tower

Convention Plaza

1 Harbour Road, Wan Chai

Hong Kong

24 April 2019

*Dear Shareholders*

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE SHARES AND  
REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to give you the notice of Annual General Meeting and the following proposals to be put forward at the Annual General Meeting: (a) granting of the Issue Mandate to issue Shares and the Repurchase Mandate to repurchase Shares; and (b) re-election of the Directors.

## LETTER FROM THE BOARD

### ISSUE MANDATE TO ISSUE SHARES

In order to ensure flexibility and give discretion to the Directors, in the event that it becomes desirable for the Company to issue any new Shares, approval is to be sought from the Shareholders, pursuant to the Listing Rules, for the Issue Mandate to issue Shares. At the Annual General Meeting, an ordinary resolution will be proposed to grant the Issue Mandate to the Directors to exercise the powers of the Company to allot, issue and deal with the additional Shares not exceeding 20% of the number of issued Shares as at the date of passing of the resolution in relation to the Issue Mandate.

As at the Latest Practicable Date, 1,691,890,585 Shares have been issued and fully paid. Subject to the passing of the ordinary resolution approving the Issue Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Company will be allowed to issue a maximum of 338,378,117 Shares under the Issue Mandate.

In addition, subject to a separate approval of the ordinary resolution approving the extension of the Issue Mandate, the number of Shares purchased by the Company under Repurchase Mandate will also be added to extend the Issue Mandate. The Directors wish to state that they have no immediate plans to issue any new Shares pursuant to the Issue Mandate.

### REPURCHASE MANDATE TO REPURCHASE SHARES

In addition, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares representing up to 10% of the number of issued Shares as at the date of passing of the resolution in relation to the Repurchase Mandate.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed Repurchase Mandate is set out in Appendix II to this circular.

### RE-ELECTION OF DIRECTORS

As disclosed in the Company's announcement dated 8 November 2018, Mr. Lau Ying Kit has been appointed as independent non-executive Director with effect from 8 November 2018. Pursuant to article 16.2 of the Articles of Association, any director appointed by the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election. Accordingly, Mr. Lau Ying Kit, who was appointed as independent non-executive Director by the Board, shall hold office only until the Annual General Meeting and, being eligible, has offered himself for re-election at the Annual General Meeting.

## LETTER FROM THE BOARD

Pursuant to article 16.18 of the Articles of Association, (1) at every annual general meeting of the Company, one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years; and (2) any director appointed by the Board shall not be taken into account in determining which Directors are to retire by rotation. Accordingly, Mr. Huang Xiangbin and Mr. Liu Wenfang indicated that they intend to retire at the Annual General Meeting and being eligible, will offer themselves for re-election at the Annual General Meeting.

### Nomination Policy

#### 1. Objective

- 1.1 The Nomination Committee shall review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy.
- 1.2 The Nomination Committee shall nominate suitable candidates to the Board for it to consider and make recommendations to Shareholders for election as Director at general meetings or appoint him/her to fill casual vacancies.
- 1.3 The nomination policy of the Company (the "**Nomination Policy**") helps the Nomination Committee and the Board to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business.

#### 2. Selection Criteria

- 2.1 The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate:
  - (1) Reputation for integrity;
  - (2) Commitment in respect of available time and relevant interest; and
  - (3) Diversity of the Board in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

These factors are for reference only, and are not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

## LETTER FROM THE BOARD

### 3. Nomination Procedures

#### 3.1 *Appointment of Directors*

- (1) The Nomination Committee identifies individual(s) suitably qualified to become Board members, having due regard to the Nomination Policy and the board diversity policy of the Company (the “**Board Diversity Policy**”), and assesses the independence of the proposed independent non-executive Director(s) as appropriate.
- (2) The Nomination Committee makes recommendation(s) to the Board.
- (3) The Board considers the individual(s) recommended by the Nomination Committee, having due regard to the Nomination Policy and the Board Diversity Policy.
- (4) The Board confirms the appointment of the individual(s) as Director(s) or recommends the individual(s) to stand for election at a general meeting. Individual(s) appointed by the Board either to fill a casual vacancy or as an addition to the Board will be subject to re-election by Shareholders at the next following general meeting, in accordance with the Articles of Association.
- (5) The Shareholders approve the election of individual(s), who stand(s) for election at general meeting, as Director(s).

#### 3.2 *Re-appointment of Directors*

- (1) The Nomination Committee considers each retiring Director, having due regard to the Nomination Policy and the Board Diversity Policy, and assesses the independence of each retiring independent non-executive Director.
- (2) The Nomination Committee makes recommendation(s) to the Board.
- (3) The Board considers each retiring Director recommended by the Nomination Committee, having due regard to the Nomination Policy and the Board Diversity Policy.
- (4) The Board recommends the retiring Directors to stand for re-election at the annual general meeting in accordance with the Articles of Association.
- (5) The Shareholders approve the re-election of Directors at the annual general meeting.



## LETTER FROM THE BOARD

- 3.3 The Board shall have the ultimate responsibility for all matters relating to the selection and appointment of Directors.

#### 4. Recommendation of Nomination Committee

The Nomination Committee had assessed and reviewed the annual written confirmation of independence of each of the independent non-executive Directors for the year ended 31 December 2018 based on the independence criteria as set out in Rule 3.13 of the Listing Rules and confirmed that all of them, including Mr. Lau Ying Kit and Mr. Liu Wenfang, remain independent. In addition, the Nomination Committee had evaluated the performance of each of the retiring Directors for the year ended 31 December 2018 and found their performance satisfactory. Therefore, the Nomination Committee nominated the retiring Directors to the Board for it to propose to Shareholders for re-election at the Annual General Meeting.

Accordingly, with the recommendation of the Nomination Committee, the Board has proposed that all the retiring Directors, namely Mr. Huang Xiangbin, Mr. Lau Ying Kit and Mr. Liu Wenfang, stand for re-election as Directors at the Annual General Meeting.

Details of the above Directors who are standing for re-election at the Annual General Meeting are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules. Separate resolutions will be proposed for the re-election of each of the above Directors.

#### NOTICE OF ANNUAL GENERAL MEETING

Set out on pages 17 to 21 of this circular is the notice of the Annual General Meeting at which, *inter alia*, ordinary resolutions will be proposed to Shareholders to consider and approve the granting of the Issue Mandate to issue Shares and the Repurchase Mandate to repurchase Shares and the re-election of the Directors.

The register of members of the Company will be closed from Tuesday, 21 May 2019 to Friday, 24 May 2019, both days inclusive, during which no transfer of Shares will be registered, in order to determine the identity of the Shareholders who are entitled to attend and vote at the Annual General Meeting. In order to be eligible to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Monday, 20 May 2019.

## LETTER FROM THE BOARD

### FORM OF PROXY

A form of proxy is enclosed for use at the Annual General Meeting. Such form of proxy is also published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.sinco-pharm.com](http://www.sinco-pharm.com)). Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the Annual General Meeting or any adjournment thereof if they so wish and in such event the form of proxy shall be deemed to be revoked.

### VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules and article 13.5 of the Articles of Association, any resolution put to the vote of the Shareholders at a general meeting shall be decided on a poll except where the chairman of the Annual General Meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the notice of Annual General Meeting will be taken by way of poll.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she is the holder. A Shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she uses in the same way.

### RECOMMENDATION

The Directors consider that the proposed resolutions for the granting of the Issue Mandate to issue Shares and the Repurchase Mandate to repurchase Shares and the re-election of the Directors are in the interests of the Group and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

|                              |
|------------------------------|
| <b>LETTER FROM THE BOARD</b> |
|------------------------------|

**RESPONSIBILITY STATEMENT**

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this circular misleading.

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

*The following are the particulars of the Directors (as required by the Listing Rules) proposed to be re-elected at the Annual General Meeting.*

Save as disclosed herein, none of the following Directors holds any position with the Company or any other member of the Group, or any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Save as disclosed herein, the following Directors are not otherwise related to any Directors, senior management, substantial Shareholders or controlling Shareholders (as defined in the Listing Rules).

Save as disclosed herein, there is no other matter in relation to the following Directors that needs to be brought to the attention of the holders of securities of the Company and there is no other information relating to the following Directors which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

#### EXECUTIVE DIRECTOR

**Mr. Huang Xiangbin (黃祥彬)** (“Mr. Huang”), aged 53, is the founder of the Group. He has been the Chairman and executive Director of the Group since April 2011. He is also the Chief Executive Officer of the Company and is mainly responsible for overall strategic planning and operation management.

Mr. Huang has served as the director of Risun Investments Limited, the controlling shareholder of the Company, and all the subsidiaries of the Company except for Chengdu Sinco Pharmaceutical Technology Co., Ltd., Chengdu Hengsheng Ziguang Pharmaceutical Technology Co., Ltd., Sichuan Sinco Biological Technology Co., Ltd., Qingdao Ruichi Pharmaceuticals Co., Ltd., Sinco Shanghai Trading Co., Ltd. and Chengdu Sinco Pharmaceuticals Co., Ltd. Prior to joining the Group, Mr. Huang was the director and chairman of Vast Surplus since November 2004 up until now, mainly responsible for strategic planning and operation of Vast Surplus. After Vast Surplus transferred its exclusive distribution rights to service Taurolite, TAD and Esafosfina to Hong Kong Prosperous Group Holding Limited in March 2015, it has no other business operations. Since then, Mr. Huang has been devoting a majority of his time to the Group’s business. In addition, Mr. Huang was also a founder, chief executive officer and director of Chengdu Ruixin Biopharmaceutical Technology Co., Ltd (“**Ruixin**”) from February 2004 to April 2011. The principal business of Ruixin was consultation in the pharmaceuticals industry, which included testing and sampling new pharmaceutical products, providing marketing and promotion services as well as assisting in obtaining regulatory approvals and registrations for pharmaceutical products. However, the pharmaceutical products serviced by Ruixin were mainly traditional Chinese medicine extracts, which are different from those of the pharmaceutical products serviced by the Group. Ruixin was not engaged in any business which competed or was likely to compete, either directly or indirectly, with the Group’s business. Furthermore, Ruixin was jointly owned as to 50% by Mr. Huang and 50% by Mr. Chen Xiangui (an independent third party who is not considered a connected person or associate of a connected person of the Company under the Listing Rules (“**Independent Third Party**”)) and was never a member of the Group which was readily disposable for corporate reorganisation solely based on Mr. Huang’s decision.

Eventually, as the management of Ruixin began to focus on the business development of the Group since Mr. Huang incorporated Sichuan Sinco Pharmaceuticals in 2011, Ruixin did not have any business or operations, which subsequently led to the passing of the shareholders' resolutions on 22 September 2015 to voluntarily dissolve Ruixin.

Mr. Huang worked in the Drug Inspection Institute of Guangyuan (廣元市藥品檢驗所) from July 1988 to July 2004 as a pharmacist in charge of drug quality research as well as collection and delivery of drug safety information.

Mr. Huang had been a director of Beijing Guangtong Shidai Medical Consulting Company Limited ("**Beijing Guangtong**") (北京廣通時代醫藥投資顧問有限公司), a limited liability company established in the PRC in 2003, since its establishment up until 2004. Prior to the revocation of its business license, Beijing Guangtong was owned as to 50%, 40% and 10% by Mr. Huang, Mr. You Fei and Mr. You Hao respectively. Both Mr. You Fei and Mr. You Hao are Independent Third Parties. Mr. Huang confirmed that at the time of the revocation of the business license of Beijing Guangtong, he was not involved in the daily operation of Beijing Guangtong as he was focusing on the development of Ruixin's business. To the best of Mr. Huang's knowledge, Beijing Guangtong had ceased attending annual inspection (年檢) as it had no business operation, resulting in its business license being revoked subsequently on 26 November 2004. Mr. Huang confirmed that there is no wrongful act on his part leading to the revocation and he is not aware of any actual or potential claim that has been or will be made against him as a result of the revocation.

Mr. Huang obtained a master's degree in EMBA from Shanghai Jiao Tong University (上海交通大學) in December 2008 and graduated from the MBA programme of Renmin University (中國人民大學) in August 2002. He also obtained a bachelor's degree in botanical resources (野生植物資源) from Jilin Agriculture University (吉林農業大學) in July 1988. Mr. Huang has been studying in the Université Paris - Dauphine under the Executive Doctorate in Business Administration (EDBA) program since December 2013.

Mr. Huang has entered into a service agreement with the Company for a term of 3 years commencing from the date of service agreement. His appointment is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. Mr. Huang is entitled to a director's fee and a discretionary bonus to be decided by the Board. For the year ended 31 December 2018, the total emoluments paid to Mr. Huang by the Group is approximately RMB1,558,000 (including salaries and other benefits), which is determined with reference to his qualifications, duties and responsibilities with the Group and prevailing market conditions.

In accordance with the meaning of Part XV of the Securities and Futures Ordinance, as at the Latest Practicable Date, Mr. Huang is deemed to be interested in 1,050,000,000 Shares representing approximately 62.06% of the number of issued Shares as the founder of a discretionary trust which indirectly wholly-owned Risun Investments Limited.

**INDEPENDENT NON-EXECUTIVE DIRECTORS**

**Mr. Liu Wengfang (劉文芳)**, aged 81, was appointed as an independent non-executive Director with effect from 1 February 2016, mainly responsible for supervising and providing independent judgement to the Board. Prior to joining the Group, from February 2011 to present, he serves as an independent director of China Biologic Products, Inc. (泰邦生物製品有限公司), a company listed on NASDAQ (stock code: CBPO). From 2007 to 2011, Mr. Liu Wengfang worked as a chief consultant at Sichuan Yuanda Shuyang Pharmaceuticals Co., Ltd (四川遠大蜀陽藥業股份有限公司) where he was responsible for research and promoting new theories and applications in the medical field. From 2000 to 2007, he served as the chief engineer and director of Hualan Biological Engineering Inc. (華蘭生物工程股份有限公司) where he was responsible for supervising the manufacturing process and quality management. From May 1998 to May 1999, he served as the chief engineer of Guiyang Qianfeng Bio Manufacture Company (貴陽黔峰生物製品有限責任公司) where he was responsible for research and developing new products. From 1978 to 1988, Mr. Liu Wengfang worked in the Institute of Blood Transfusion, Chinese Academy of Medical Sciences (中國醫學科學院輸血研究所) and was engaged in the segregation and purification of blood and protein and research, development and quality analysis of blood products.

He obtained a bachelor's degree majoring in biochemistry from the Shenyang Institute of Applied Ecology, Chinese Academy of Sciences (中國科學院瀋陽應用生態研究所) (formerly known as the Institute of Forestry and Soil Sciences) in August 1963.

Mr. Liu Wengfang has signed a letter of appointment with the Company for a term of 3 years commencing from the date of the letter of appointment, which may be terminated by not less than three months' notice in writing served by either party on the other and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Liu Wengfang is entitled to receive a fixed director's fee of RMB160,000 per annum, as determined by the Board with reference to the prevailing market conditions, his experience, responsibility, workload and fees paid by the comparable companies.

As at the Latest Practicable Date, Mr. Liu Wengfang did not have any interest in Shares within the meaning of Part XV of the Securities and Futures Ordinance.

**Mr. Lau Ying Kit (劉英傑先生)**, aged 45, is an independent non-executive Director with effect from 8 November 2018. Mr. Lau is currently an independent non-executive director of Kingdom Holdings Limited (Stock Code: 528), Xiezhong International Holdings Limited (Stock Code: 3663), China Wood Optimization (Holding) Limited (Stock Code: 1885) and United Strength Power Holdings Limited (Stock Code: 2337). Mr. Lau is a fellow member of the Hong Kong Institute of Certified Public Accountants and holds a master's degree in finance from the City University of Hong Kong. He has extensive experience in financial and accounting in China and Hong Kong.

Mr. Lau Ying Kit entered into a letter of appointment with the Company for an initial fixed term of three years from 8 November 2018. Either the Company or Mr. Lau Ying Kit may give at least three months' written notice to the other party for early termination of the letter of appointment. Pursuant to the letter of appointment, Mr. Lau Ying Kit's directorship is also subject to retirement by rotation and re-election pursuant to the Articles of Association and he is entitled to receive a director's fee of RMB160,000 per annum. Mr. Lau Ying Kit's director's fee has been recommended by the Remuneration Committee and approved by the Board based on his qualifications, experience, level of responsibilities undertaken and prevailing market conditions, and will also be subject to annual review by the Remuneration Committee and the Board.

As at the Latest Practicable Date, Mr. Lau Ying Kit did not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.



*The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed Repurchase Mandate.*

## SHARE CAPITAL

As at the Latest Practicable Date, the number of issued Shares was 1,691,890,585 Shares in issue. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 169,189,058 Shares (which represent 10% of the issued Shares) during the period ending on the earlier of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiry of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of Association to be held; or (iii) the passing of an ordinary resolution by Shareholders in general meeting of the Company revoking or varying such mandate.

## REASONS FOR AND FUNDING OF REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Company to repurchase its Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the Company's net asset value and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

Repurchase of the Shares must be funded out of funds legally available for such purpose in accordance with the Articles of Association and the applicable laws of the Cayman Islands. The Directors may not repurchase the Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, the Directors may make repurchases with profits of the Company or out of a new issuance of shares made for the purpose of the repurchase or, if authorized by the Articles of Association and subject to the Companies Law, out of capital and, in the case of any premium payable on the repurchase, out of profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorized by the Articles of Association and subject to the Companies Law, out of capital.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors believe that if the Repurchase Mandate is exercised in full, it may not have a material adverse impact on the working capital and gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at 31 December 2018, being the date to which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.



**DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS**

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, their respective close associates (as defined in the Listing Rules), have any present intention, if the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws of the Cayman Islands.

No core connected person (as defined in the Listing Rules) has notified the Company that he or she has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

**TAKEOVERS CODE**

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Mr. Huang, an executive Director, chairman and chief executive officer of the Company, Fullwealth Holdings Limited ("**Fullwealth**") and Wickhams Cay Trust Company Limited ("**Wickhams**") had deemed to be interested in 1,050,000,000 Shares, representing approximately 62.06% of the total number of issued Shares. The 1,050,000,000 Shares were held by Risun, which is wholly-owned by Fullwealth. Fullwealth in turn is wholly-owned by a discretionary trust with Wickhams acting as the trustee and Mr. Huang as settlor of the said trust. In the event that the Directors should exercise in full the Repurchase Mandate, Mr. Huang's, Fullwealth's and Wickhams's interests in the Company through Risun would be increased to approximately 68.96% of the total number of issued Shares and such increase would not give rise to an obligation to make a mandatory general offer under the Takeovers Code. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchase made.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the total number of issued shares of the Company would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

#### SHARE REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company during the 6 months immediately preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).

#### SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous 12 calendar months preceding the Latest Practicable Date were as follows:

| Month  | Highest<br>prices<br>HK\$ | Lowest<br>prices<br>HK\$ |
|--|---------------------------|--------------------------|
| <b>2018</b>  |                           |                          |
| April  | 0.590                     | 0.470                    |
| May  | 0.530                     | 0.450                    |
| June   | 0.480                     | 0.360                    |
| July   | 0.410                     | 0.315                    |
| August   | 0.330                     | 0.170                    |
| September  | 0.208                     | 0.146                    |
| October  | 0.385                     | 0.148                    |
| November   | 0.415                     | 0.280                    |
| December   | 0.395                     | 0.330                    |
| <b>2019</b>  |                           |                          |
| January  | 0.390                     | 0.255                    |
| February   | 0.485                     | 0.355                    |
| March  | 0.600                     | 0.400                    |
| April (up to and including the Latest<br>Practicable Date) | 0.405                     | 0.350                    |

## NOTICE OF ANNUAL GENERAL MEETING



### 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)

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**Annual General Meeting**”) of Sinco Pharmaceuticals Holdings Limited (the “**Company**”) will be held at Aegean, Room I, 1st Floor, Sheraton Dameisha Resort, 9 Yankui Road, Dameisha, Yantian, Shenzhen, the PRC on Friday, 24 May 2019 at 9:30 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements of the Company for the year ended 31 December 2018 and the reports of the directors and independent auditor thereon.
2. (a) To re-elect the following directors of the Company (the “**Directors**”):
  - (i) Mr. Huang Xiangbin as executive Director;
  - (ii) Mr. Liu Wenfang as independent non-executive Director;
  - (iii) Mr. Lau Ying Kit as independent non-executive Director; and(b) To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
3. To re-appoint Ernst & Young as auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Board to fix their remuneration for the year ending 31 December 2019.
4. To consider and, if thought fit, pass with or without modification the following resolutions as ordinary resolutions:

**(A) “That:**

- (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as defined hereinafter) of all the powers of the Company to allot, issue and/or otherwise deal with additional shares of the Company, securities convertible into shares of the Company, or options, warrants or similar rights to subscribe for any shares or such convertible securities of the Company and to make or grant offers, agreements and/or options which may require the exercise of such powers, be and is hereby generally and unconditionally approved;

## NOTICE OF ANNUAL GENERAL MEETING

- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period (as defined hereinafter) to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors during the Relevant Period (as defined hereinafter) pursuant to paragraph (i) above, otherwise than pursuant to:
  - (1) any Rights Issue (as defined hereinafter);
  - (2) the grant or exercise of any option under any share option scheme of the Company (if applicable) or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the Directors, officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for shares of the Company or rights to acquire shares of the Company;
  - (3) any scrip dividend or similar arrangement providing for the allotment and issue of shares of the Company in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company; or
  - (4) any issue of shares of the Company upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company or any existing securities of the Company which any rights to subscribe for or are convertible into shares of the Company,

shall not exceed 20% of the number of issued shares of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (i) of this resolution shall be limited accordingly; and

## NOTICE OF ANNUAL GENERAL MEETING

(iv) for the purpose of this resolution:

- (a) “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
  - (1) the conclusion of the next annual general meeting of the Company;
  - (2) the expiry of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; or
  - (3) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution; and
- (b) “Rights Issue” means an offer of shares of the Company or an issue of warrants, options or other securities giving rights to subscribe for shares of the Company, open for a period fixed by the Directors to holders of shares of the Company on the register of members on a fixed record date in proportion to their then holdings of such shares of the Company (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

## NOTICE OF ANNUAL GENERAL MEETING

(B) “That:

- (i) subject to paragraph (ii) of this resolution, the exercise by the Directors during the Relevant Period (as defined hereinafter) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and which is recognised for this purpose by the Securities and Futures Commission and the Stock Exchange under the Code on Share Buy-backs and, subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), be and is hereby generally and unconditionally approved;
- (ii) the aggregate number of the shares of the Company to be repurchased pursuant to the approval in paragraph (i) of this resolution shall not exceed 10% of the number of issued shares of the Company as at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (iii) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiry of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; or
- (c) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

## NOTICE OF ANNUAL GENERAL MEETING

- (C) “That subject to the passing of ordinary resolutions numbered 4(A) and 4(B) set out in this notice convening this meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with additional shares of the Company pursuant to ordinary resolution numbered 4(A) set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the number of issued shares repurchased by the Company under the authority granted pursuant to ordinary resolution numbered 4(B) set out in the notice convening this meeting.”

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

Sichuan, the PRC, 24 April 2019

*Notes:*

- (i) A shareholder entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her/its stead. The proxy does not need to be a shareholder of the Company.
- (ii) Where there are joint registered holders of any shares, any one of such persons may vote at the above meeting (or at any adjournment of it), either personally or by proxy, in respect of such shares as if he/she/it were solely entitled thereto but the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (iii) In order to be valid, the completed form of proxy, must be deposited at the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority (such certification to be made by either a notary public or a solicitor qualified to practice in Hong Kong), at least 48 hours before the time appointed for holding the above meeting or any adjournment thereof (as the case may be). The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.
- (iv) The register of members of the Company will be closed from Tuesday, 21 May 2019 to Friday, 24 May 2019, both days inclusive, in order to determine the eligibility of shareholders of the Company to attend and vote at the above meeting, during which period no share transfers will be registered. To be eligible to attend and vote at the above meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 20 May 2019.
- (v) In respect of resolution numbered 2 above, the biographical details of the directors proposed to be re-elected are set out in Appendix I to the circular dated 24 April 2019.
- (vi) Pursuant to Rule 13.39(4) of the Listing Rules, voting for all the resolutions set out in this notice will be taken by poll at the above meeting.