

**SINCO PHARMACEUTICALS HOLDINGS LTD:
ONLY IN CHINA CAN ONE SEE SUCH FAST TRACK PROFITS**

The company is just five years old and, since the founding of its predecessor company, Sichuan Sinco Pharmaceuticals Company Ltd (), in the People's Republic of China (PRC), its Revenue has risen from 26,166,000 renminbi (about \$HK31.06 million), in respect of the 2012 Financial Year, to 950,079,000 renminbi (about \$HK1.13 billion), in respect of the 2014 Financial Year.

In just two Financial Year's, therefore, this company has gone from having pitiful revenues of about \$HK31 million, to having a revenue of more than \$HK1 billion. Only in the PRC!

Sichuan Sinco Pharmaceuticals Company Ltd, now an indirect, wholly owned subsidiary of Sinco Pharmaceuticals Holdings Ltd () (Code: 6833, Main Board, The Stock Exchange of Hongkong Ltd) is the Company that has, recently, unleashed its Global Offering of 400 million, \$HK0.0001 Shares.

The 400 million Shares are being Offered at the Indicative Offer Price Per Share of between a low of 80 cents and a high of \$HK1.11.

At the midpoint of the Indicative Offer Price Per Share, being 96 cents, Management estimates that it will net about \$HK324.80 million (assuming that the Over-Allotment Option of Shares is not exercised).

According to Page 263 of the Global Offering Prospectus, this amount of money is expected to be utilised as follows:

- Approximately, 45 percent of the net proceeds of the Global Offering, that is about \$HK146.20 million, *'will be used for (i) acquisition of sales and distribution rights of new products; and (ii) acquisition of businesses in the pharmaceutical industry with proprietary intellectual property or growth potential (the "**Potential Acquisitions**")'*;
- Approximately, 33 percent of the net proceeds of the Global Offering, that is about \$HK107.20 million, *'will be irrevocably used to repay a portion of the outstanding loans and bank trade credits due from the Group as follows: (i) approximately RMB36.0 million of loans due to Bank of Chengdu (Bank of Chengdu Company Ltd []) at fixed rates between 6.0% to 7.5% per annum due between September 2015 to August 2016; and (ii) utilised trade credits of RMB51.5 million granted by China Merchants Bank (China Merchants Bank Company Ltd []) as at the Latest Practicable Date (February 20, 2016) (together, the "**Repayment of the Outstanding Loans and Banking Facilities**")'*;
- Approximately, 14 percent of the net proceeds of the Global Offering, that is about \$HK45.50 million, *'will be used to develop our cold chain facility and research and development base located in Sichuan Shuangliu Bonded Area (). Our cold chain facility is expected to be one of the largest cold chain facilities in the Southwest China after completion. We will not apply any proceeds from the Global Offering to the development of our cold chain facility and research and development base until we have rectified certain non-compliance incident ...'*; and,
- Approximately, eight percent of the net proceeds of the Global Offering, that is about \$HK26.00 million, *'will be used for our working capital and other general corporate purposes.'*

The Business of Sinco Pharmaceuticals Holdings Ltd

Sinco Pharmaceuticals Holdings Ltd describes itself as being a **m**arketing, **p**romotion and **c**hannel **m**anagement company (**MPCM**).

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