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CHINA PIONEER PHARMA HOLDINGS LIMITED

中国先锋医药控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01345)

CONNECTED TRANSACTION SALE OF FACE MASKS TO ANGELINA ENVIRONMENTAL

The Group has entered into two Sales Contracts with Angelina Environmental for the sale of disposable and protective face masks to Angelina Environmental for a total amount of EUR2,643,150. Angelina Environmental is indirectly wholly-owned by (i) Mr. Li, the chairman, an executive Director and a controlling shareholder of the Company, and (ii) Ms. Wu, a controlling shareholder of the Company. Ms. Wu is the spouse of Mr. Li. Accordingly, Angelina Environmental is a connected person of the Company.

As all of the applicable percentage ratios of the Sales Transaction under the Sales Contracts, on an aggregate basis, are more than 0.1% but less than 5%, the Sales Transaction is subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirement pursuant to Rule 14A.32 of the Listing Rules.

The Group has entered into the Sales Contracts with Angelina Environmental for the sale of face masks to Angelina Environmental. The salient terms of the Sales Contracts are summarised below.

Sales Contract 2

Date

27 March 2020

Parties

Seller: Chongqing Pioneer Pharma, an indirectly wholly-owned subsidiary of the Company

Buyer: Angelina Environmental

Angelina Environmental is indirectly wholly-owned by (i) Mr. Li, the chairman, an executive Director, and a controlling shareholder of the Company; and (ii) Ms. Wu, a controlling shareholder of the Company. Ms. Wu is the spouse of Mr. Li. Accordingly, Angelina Environmental is a connected person of the Company.

Subject of the Sales

Under the Sales Contract 2, Chongqing Pioneer Pharma has agreed to sell to Angelina Environmental, and Angelina Environmental has agreed to buy from Chongqing Pioneer Pharma, disposable and protective face masks for a total amount of EUR2,445,800.

Sales Contract 1

Date

9 March 2020

Parties

Seller: Xiantao Pioneer Pharma, an indirectly wholly-owned subsidiary of the Company

Buyer: Angelina Environmental

Subject of the Sales

Under the Sales Contract 1, Xiantao Pioneer Pharma has agreed to sell to Angelina Environmental, and Angelina Environmental has agreed to buy from Xiantao Pioneer Pharma, disposable and protective face masks for a total amount of EUR197,350.

REASONS FOR AND BENEFITS OF THE SALES TRANSACTION

As COVID-19 epidemic outbreak continues in Spain, there is reported shortage of medical supplies in the country. The Group is keen to support people who are in need of help in this difficult time. The sale of medical devices including face masks is part of the ordinary and usual course of business and the Group. The terms of the Sales Transaction under the Sales Contracts were determined on arms' length negotiation between the Group and Angelina Environmental, and are comparable with the Group's sales terms of similar products to independent third parties. The Directors, including the independent non-executive Directors, consider that the terms of the Sales Transaction are fair and reasonable, and the Sales Transaction is on normal commercial terms and in the ordinary and usual course of business of the Group, and in the interest of the Company and its shareholders as a whole.

INFORMATION ON THE GROUP

The Company is an investment holding company and its subsidiaries are primarily engaged in the business of providing comprehensive marketing, promotion and channel management services dedicated to imported pharmaceutical products and medical devices in China.

INFORMATION ON ANGELINA ENVIRONMENTAL

Angelina Environmental is a company incorporated in Spain and a wholly-owned subsidiary of COVEX. COVEX is a Spanish chemical and pharmaceutical company which is primarily engaged in the business of the production and commercialisation of API (active pharmaceutical ingredient(s)) raw materials, pharmaceutical products and dietary supplements. COVEX is the supplier of Vinpocetine API of the Group and is indirectly wholly-owned by Mr. Li and Ms. Wu.

LISTING RULES IMPLICATIONS

Angelina Environmental is a wholly-owned subsidiary of COVEX, which in turn is indirectly wholly-owned by (i) Mr. Li, the chairman, an executive Director, and a controlling shareholder of the Company; and (ii) Ms. Wu, a controlling shareholder of the Company. Ms. Wu is the spouse of Mr. Li. Accordingly, Angelina Environmental is a connected person of the Company. The Sales Transaction under the Sales Contracts constitutes a connected transaction of the Company. As all of the applicable percentage ratios of the Sales Transaction under the Sales Contracts, on an aggregate basis, are more than 0.1% but less than 5%, the Sales Transaction is subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirement pursuant to Rule 14A.32 of the Listing Rules.

As Angelina Environmental is indirectly wholly-owned by Mr. Li and his spouse, Ms. Wu, Mr. Li is considered to have a material interest in the Sales Transaction and has abstained from voting on the resolution of the Board approving the Sales Contracts.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

“Angelina Environmental”	Angelina Environmental Spain SL, a private limited liability company incorporated in Spain and a wholly-owned subsidiary of COVEX
“Board”	the board of Directors
“Chongqing Pioneer Pharma”	Chongqing Pioneer Pharma Co., Ltd., a limited liability company established in the PRC and an indirectly wholly-owned subsidiary of the Company
“Company”	China Pioneer Pharma Holdings Limited (中国先锋医药控股有限公司), an exempted company incorporated with limited liability under the laws of the Cayman Islands, with its shares listed on the Main Board of the Stock Exchange
“COVEX”	COVEX S.A., a limited company incorporated in Spain, and indirectly wholly-owned by Mr. Li and Ms. Wu
“Director(s)”	the director(s) of the Company
“EUR”	Euro, the single European currency used by certain member states of the European Union
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Li”	Mr. Li Xinzhou, the chairman, an executive Director, and a controlling shareholder of the Company. Mr. Li is the spouse of Ms. Wu
“Ms. Wu”	Ms. Wu Qian, a controlling shareholder of the Company. Ms. Wu is the spouse of Mr. Li
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules
“Sales Contract 1”	the sales contract dated 9 March 2020 entered into between Angelina Environmental and Xiantao Pioneer Pharma in relation to the sale of face masks for a total sales amount of EUR197,350

“Sales Contract 2”	the sales contract dated 27 March 2020 entered into between Angelina Environmental and Chongqing Pioneer Pharma in relation to the sale of face masks for a total sales amount of EUR2,445,800
“Sales Contracts”	Sales Contract 1 and Sales Contract 2
“Sales Transaction”	the transactions under the Sales Contracts
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xiantao Pioneer Pharma”	Xiantao Pioneer Pharma Co., Ltd., a limited liability company established in the PRC and an indirectly wholly-owned subsidiary of the Company

In this announcement, the terms “connected person”, “controlling shareholder” and “subsidiary” have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

The English names of Chinese entities included in this announcement are unofficial translations of their Chinese names and are included for identification purposes only.

By order of the Board
China Pioneer Pharma Holdings Limited
LI Xinzhou
Chairman

Hong Kong, 30 March 2020

As at the date of this announcement, the Directors are Mr. LI Xinzhou, Mr. LUO Chunyi and Mr. LUK Chi Shing as executive Directors, Mr. WU Mijia and Mr. HUI Lap Keung as non-executive Directors and Mr. ZHANG Hong, Mr. XIAO Guoguang and Mr. WONG Chi Hung, Stanley as independent non-executive Directors.