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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

The Group has entered into the Sales Contract with Angelina Environmental for the sale of protective face masks to Angelina Environmental for a total amount of EUR2,595,968. 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 Contract 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.76 of the Listing Rules.

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

SALES CONTRACT

Date

30 April 2020

Parties

Seller: Chongqing Pioneer Pharma, 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 this sales contract, the seller has agreed to sell to the buyer, and the buyer has agreed to buy from the seller, protective face masks for a total amount of EUR2,595,968.

Under the Sales Contract, the consideration is payable within 45 days from the delivery of the face masks.

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 and has, as a measure, carried out the Previous Sales Transactions in March and April to help respond to the exigent demand for face masks. The sale of medical devices, including face masks, is part of the ordinary and usual course of business of the Group. The terms of the Sales Transaction under the Sales Contract 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, and will enable the Group to recognise a profit from the sale. 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, 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 Contract constitutes a connected transaction of the Company. As all of the applicable percentage ratios of the Sales Transaction under the Sales Contract, on an aggregate with the Previous Sales Transactions, 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.76 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 Contract.

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 a 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
“Previous Sales Transactions”	the transactions under the sales contracts of face masks between Angelina Environmental and the Group as disclosed in the announcements of the Company dated 30 March 2020, 17 April 2020 and 23 April 2020, respectively
“Sales Contract”	the sales contract dated 30 April 2020 entered into between Angelina Environmental and the Group as disclosed in this announcement
“Sales Transaction”	the transaction under the Sales Contract
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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, 3 May 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.