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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)

ANNOUNCEMENT

DISCLOSEABLE TRANSACTIONS WEALTH MANAGEMENT PRODUCT AND STRUCTURED DEPOSITS

WEALTH MANAGEMENT PRODUCT

On 10 December 2020, Chongqing Pioneer, a wholly-owned subsidiary of the Company, entered into an agreement with the Bank for subscription to its Wealth Management Product with an amount of RMB1 million.

STRUCTURED DEPOSITS

On 14 January 2021, 22 January 2021, 27 January 2021 and the date of this announcement, Naqu Pioneer, a wholly-owned subsidiary of the Company, entered into Structured Deposits Nos. 1, 2, 3 and 4 respectively with the Bank, under which the Company entered into structured deposits of RMB20 million, RMB26 million, RMB4 million and RMB6 million.

LISTING RULES IMPLICATIONS

For the Wealth Management Product and each of the Structured Deposits and for the aggregate of the Wealth Management Product and the Structured Deposits Nos. 1, 2 and 3, all applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) are below 5%.

For the aggregate of the Wealth Management Product and the Structured Deposits, one or more of the applicable percentage ratios exceeds 5% but all of the ratios are below 25%. As such, the transactions thereunder constitute discloseable transactions of the Company and are subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

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WEALTH MANAGEMENT PRODUCT

Parties: Chongqing Pioneer; and
the Bank

To the best of the knowledge, information and belief and having made all reasonable enquiries, it is confirmed that the Bank and its ultimate beneficial owners are third parties independent of the Group and its connected persons

Date: 10 December 2020

Subscription amount: RMB1 million, being funds not immediately in use from the internal resources of the Company, put into fund management having taken into account the operation and businesses of the Group and the requirements for funds in the immediate future

Term: 10 December 2020–17 March 2021

Product link and expected annualised rate of return: The product is linked to the CSI300 (Shanghai Stock Exchange, stock code: 000300.SH) with a wide range of financial products from debt securities, equity securities, financial derivatives to wealth management products as principal investments, with an expected annualised rate of return ranging from 3.2% to 4.7%, payable to the depositors with the principal within 3 Beijing working days from maturity

Expected annualised rate of return will be the sum of the annualised return from base assets after fees and annualised return from option investments

Risk level assessment by the Bank: Medium to low

Redemption: Subscribers have no right of early redemption

STRUCTURED DEPOSIT NO. 1

Parties:	Naqu Pioneer; and the Bank
Date:	14 January 2021
Amount of deposit:	RMB20 million, being funds not immediately in use from the internal resources of the Company, put into deposit having taken into account the operation and businesses of the Group and the requirements for funds in the immediate future
Term:	90 days
Deposit link and expected annualised rate of return:	The deposit is linked to the EUR/USD rate as shown on BFIX: Bloomberg FX Fixings at 15:00 Tokyo time every day. The annualised rate of return will either be 1.65% (if the linked BFIX rate on the commencement day of the Term is higher than on the end day of the Term) or 3.85% (if the linked BFIX rate on the commencement day of the Term is lower than on the end day of the Term), payable to the depositors with the principal within 2 business days from maturity
Type:	principal-guaranteed floating interest rate
Risk level assessment by the Bank:	Medium to low
Termination and Redemption:	Depositors have no right of early termination or early redemption. The Bank may terminate for force majeure or interests of the investing public

STRUCTURED DEPOSIT NO. 2

Parties:	Naqu Pioneer; and the Bank
Date:	22 January 2021
Amount of deposit:	RMB26 million, being funds not immediately in use from the internal resources of the Company, put into deposit having taken into account the operation and businesses of the Group and the requirements for funds in the immediate future
Term:	Redeemable on demand and no longer than 10 years

Deposit link and expected annualised rate of return:	The deposit is linked to Fixed Repo Rate FR007, with an expected annualised rate of return of 1.10% plus any income deriving from investment in derivative products (any such income not being guaranteed and without cap), payable to the depositors with the principal within 2 Beijing working days from maturity or redemption
Type:	principal-guaranteed floating interest rate
Risk level assessment by the Bank:	Medium to low
Redemption and Termination:	Interest accrues every seven days' time. Depositors may redeem any principal and accrued interests at the end of each seven days' period or redeem on demand with no interests accruable from any period less than seven days
	The Bank may terminate on force majeure grounds

STRUCTURED DEPOSIT NO. 3

Parties:	Naqu Pioneer; and the Bank
Date:	27 January 2021
Amount of deposit:	RMB4 million, being funds not immediately in use from the internal resources of the Company, put into deposit having taken into account the operation and businesses of the Group and the requirements for funds in the immediate future
Term:	Redeemable on demand and no longer than 10 years
Deposit link and expected annualised rate of return:	The deposit is linked to Fixed Repo Rate FR007, with an expected annualised rate of return of 1.10% plus any income deriving from investment in derivative products (any such income not being guaranteed and without cap), payable to the depositors with the principal within 2 Beijing working days from maturity or redemption
Type:	principal-guaranteed floating interest rate
Risk level assessment by the Bank:	Medium to low

Redemption and Termination: Interest accrues every seven days' time. Depositors may redeem any principal and accrued interests at the end of each seven days' period or redeem on demand with no interests accruable from any period less than seven days

The Bank may terminate on force majeure grounds

STRUCTURED DEPOSIT NO. 4

Parties: Naqu Pioneer; and

the Bank

Date: the date of this announcement

Amount of deposit: RMB6 million, being funds not immediately in use from the internal resources of the Company, put into deposit having taken into account the operation and businesses of the Group and the requirements for funds in the immediate future

Term: Redeemable on demand and no longer than 10 years

Deposit link and expected annualised rate of return: The deposit is linked to Fixed Repo Rate FR007, with an expected annualised rate of return of 1.10% plus any income deriving from investment in derivative products (any such income not being guaranteed and without cap), payable to the depositors with the principal within 2 Beijing working days from maturity or redemption

Type: principal-guaranteed floating interest rate

Risk level assessment by the Bank: Medium to low

Redemption and Termination: Interest accrues every seven days' time. Depositors may redeem any principal and accrued interests at the end of each seven days' period or redeem on demand with no interests accruable from any period less than seven days

The Bank may terminate on force majeure grounds

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Taking into account the Structured Deposits being principal-guaranteed, the Wealth Management Product represents a small amount in the financial resources of the Group and the Bank being a reputable bank with track record and listed on the Shenzhen Stock Exchange, the risk profiles of the subscription and deposits with the Bank are considered as limited. The higher returns therefrom than other general bank deposits in the PRC can benefit the Shareholders with greater value of their Shares. The deployment of funds onto subscription and deposits with the Bank for steady, healthy returns evinces the Company's commitment to a reasonable and efficient management of its funds, and the short terms of the subscription and deposits allow the Company the flexibility to meet its needs when other business opportunities arise.

The Board considers that the terms and the transactions contemplated under the Wealth Management Product and the Structured Deposits are fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

THE PARTIES

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.

Each of Chongqing Pioneer and Naqu Pioneer is a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company and is principally engaged in the sale of in-licensed medicines.

The Bank is a joint stock company established in the PRC with limited liability and with principal businesses in banking and financial services.

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For the aggregate of the Wealth Management Product and the Structured Deposits, one or more of the applicable percentage ratios exceeds 5% but all of the ratios are below 25%. As such, the transactions thereunder constitute discloseable transactions of the Company and are subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the following meanings:

“Bank”	Ping An Bank Co., Ltd, a company established in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 00001)
“Board”	the board of Directors of the Company
“Chongqing Pioneer”	Chongqing Pioneer Pharma Co. Ltd* (重慶先鋒醫藥有限公司), a company established in the PRC with limited liability 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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Naqu Pioneer”	Naqu Pioneer Pharma Co. Ltd* (那曲地區先鋒醫藥有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the shares of the Company
“Share(s)”	ordinary share(s) of nominal value US\$0.1 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Structured Deposit No. 1”	the structured deposit entered into between Naqu Pioneer and the Bank on 14 January 2021
“Structured Deposit No. 2”	the structured deposit entered into between Naqu Pioneer and the Bank on 22 January 2021

“Structured Deposit No. 3”	the structured deposit entered into between Naqu Pioneer and the Bank on 27 January 2021
“Structured Deposit No. 4”	the structured deposit entered into between Naqu Pioneer and the Bank on the date of this announcement
“Structured Deposits”	Structured Deposits Nos. 1, 2, 3 and 4
“Wealth Management Product”	the wealth management product for which Chongqing Pioneer subscribed by entering into an agreement with the Bank on 10 December 2020

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

Hong Kong, 9 February 2021

As at the date of this announcement, the Directors are Mr. LI Xinzhou, Mr. LUO Chunyi and Mr. XIAO Guoguang as executive Directors, Mr. WU Mijia and Ms. HU Mingfei as non-executive Directors and Mr. ZHANG Hong, Mr. WONG Chi Hung, Stanley and Mr. WANG Yongli as independent non-executive Directors.

* *For identification purpose only*