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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 the Sales Contracts with Angelina Environmental for the sale of disposable and protective face masks to Angelina Environmental for a total amount of approximately EUR1.2 million. 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.76 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.

13 April 2020 Sales Contract

Date

13 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 EUR1,100,088.

10 April 2020 Sales Contract**Date**

10 April 2020

Parties

Seller: Pioneer HK, wholly-owned subsidiary of the Company

Buyer: Angelina Environmental

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, disposable face masks for a total amount of EUR87,500.

30 March 2020 Sales Contract

Date

30 March 2020

Parties

Seller: Chongqing Pioneer Pharma

Buyer: Angelina Environmental

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, disposable face masks for a total amount of EUR5,600.

Under each of the Sales Contracts, 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 Transaction in March 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 Contracts were determined on arms' length negotiation between the Group and Angelina Environmental, 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 is 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 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 and in aggregation 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 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 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
“Pioneer HK”	Pioneer Pharma (Hong Kong) Co., Limited, a limited liability company incorporated in under the laws of Hong Kong and a wholly-owned subsidiary of the Company
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules
“Previous Sales Transaction”	the transactions under the sales contracts of face masks between Angelina Environmental and the Group as disclosed in the announcement of the Company dated 30 March 2020
“Sales Contracts”	collectively, the 13 April 2020 Sales Contract, 10 April 2020 Sales Contract and 30 March 2020 Sales Contract
“Sales Transaction”	the transactions under the Sales Contracts
“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, 17 April 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.