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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 DEPOSIT

WEALTH MANAGEMENT PRODUCT

On 22 June 2022, 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 RMB11 million.

STRUCTURED DEPOSIT

On 20 January 2022, 21 June 2022 and the date of this announcement, Chongqing Pioneer, a wholly-owned subsidiary of the Company, entered into Structured Deposits No. 1, No. 3 and No. 4 respectively with the Bank, pursuant to which the Company entered into Structured Deposits of RMB17 million, RMB21 million and RMB30 million, respectively.

On 20 January 2022, Naqu Pioneer, a wholly-owned subsidiary of the Company, entered into Structured Deposit No. 2 with the Bank, pursuant to which the Company entered into Structured Deposit of RMB10 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 No. 1, No. 2 and No. 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 under the Wealth Management Product and the Structured Deposits 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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On 20 January 2022, Naqu Pioneer, a wholly-owned subsidiary of the Company, entered into Structured Deposit No. 2 with the Bank, pursuant to which the Company entered into Structured Deposit of RMB10 million.

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: 22 June 2022

Subscription amount: RMB11 million, being funds not immediately in use from the internal resources of the Group, which are put into funding after taking into account the operation and businesses of the Group and the requirements for funds in the immediate future

Term and redemption: The maturity date of the Wealth Management Product is 15 March 2025, during which period it is redeemable at any time

Investment scope of the product: The Wealth Management Product will be invested in financial assets or financial instruments in compliance with regulatory requirements, including but not limited to:

- (1) Fixed-income: cash, treasury bonds, local government bonds, central bank bills, government agency bonds, financial bonds, bank deposits, certificates of deposit, interbank certificates of deposit, corporate credit bonds, asset-backed securities or asset-backed notes issued in the interbank market and stock exchange market, public securities investment funds, bond repurchases, bond lending and other fixed-income assets;
- (2) Equity: preferred shares of structured securities investment plans, stock securities investment funds, stock ETFs, detachable convertible bonds, exchangeable bonds, convertible bonds, private placement, preferred shares and other equity assets;
- (3) Commodity and financial derivatives: futures, options, forwards, swaps, credit risk mitigation warrants and other commodity and financial derivatives;
- (4) Other financial assets in compliance with regulatory requirements;

The proportion of the Wealth Management Product invested in the above fixed-income assets is 80% (inclusive)-100%; in equity assets is 0-20% (exclusive); in commodity and financial derivatives is 0-20% (exclusive); in other financial assets in compliance with regulatory requirements is 0-20% (exclusive). The proportions of the above investments in aggregate are 100%.

Expected annualised rate of return: The expected annualised rate of return ranges from 3%-3.45%, with wealth management funds payable to the investors within 3 working days from the redemption confirmation date.

Type: Non principal-guaranteed floating return

Risk level assessment by the Bank: Relatively low

Structured Deposit No. 1

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:	20 January 2022
Amount of deposit:	RMB17 million, being funds not immediately in use from the internal resources of the Group, which are put into funding after taking into account the operation and businesses of the Group and the requirements for funds in the immediate future
Term:	179 days
Deposit link subject and expected annualised rate of return:	<p>The deposit is linked to the USD/JPY central parity rate as shown on BFIX: Bloomberg FX Fixings at 15:00 Tokyo time every day, with an expected annualised rate of return ranging from 1.56% to 3.40%, payable to depositors together with the principal within 2 business days from maturity</p> <p>Expected annualised rate of return will be: 1.56% (fixed rate of return) + 1.84% × the number of days of the term during which the link subject falls within the subject range ÷ the total number of days of the term. The subject range is the USD/JPY central parity rate as shown on BFIX: Bloomberg FX Fixings at 15:00 Tokyo time on 21 January 2022 ± 10.8</p>
Type:	Principal-guaranteed floating return
Risk level assessment by the Bank:	Low risk
Termination and redemption:	Depositors have no right of early termination or early redemption. The Bank may terminate on force majeure grounds

Structured Deposit No. 2

Parties:	Naqu 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:	20 January 2022
Amount of deposit:	RMB10 million, being funds not immediately in use from the internal resources of the Group, which are put into funding after taking into account the operation and businesses of the Group and the requirements for funds in the immediate future
Term:	179 days
Deposit link subject and expected annualised rate of return:	<p>The deposit is linked to the USD/JPY central parity rate as shown on BFIX: Bloomberg FX Fixings at 15:00 Tokyo time every day, with an expected annualised rate of return ranging from 1.56% to 3.40%, payable to depositors together with the principal within 2 business days from maturity</p> <p>Expected annualised rate of return will be: 1.56% (fixed rate of return) + 1.84% × the number of days of the term during which the link subject falls within the subject range ÷ the total number of days of the term. The subject range is the USD/JPY central parity rate as shown on BFIX: Bloomberg FX Fixings at 15:00 Tokyo time on 21 January 2022 ± 10.8</p>
Type:	Principal-guaranteed floating return
Risk level assessment by the Bank:	Low risk
Termination and redemption:	Depositors have no right of early termination or early redemption. The Bank may terminate on force majeure grounds

Structured Deposit No. 3

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: 21 June 2022

Amount of deposit: RMB21 million, being funds not immediately in use from the internal resources of the Group, which are put into funding after taking into account the operation and businesses of the Group and the requirements for funds in the immediate future

Term: 180 days

Deposit link subject and expected annualised rate of return: The deposit is linked to the net bond valuation price of CDB GREEN BOND 2021 01 as announced on ChinaBond (<http://www.chinabond.com.cn/>) at around 18:00 Beijing time every business day, with an expected annualised rate of return ranging from 1.66% to 3.35%, payable to depositors together with the principal within 2 business days from maturity

- (1) If the price of the link subject on the observation date (15 December 2022) is lower than observation level 1, the annualised rate of return to maturity will be a guaranteed return of 1.66%; observation level 1 is the net bond valuation price of CDB GREEN BOND 2021 01 as announced on ChinaBond at around 18:00 Beijing time on the business day prior to 22 June 2022 \times 95.00%.
- (2) If the price of the link subject on the observation date is higher than or equal to observation level 1 and lower than observation level 2, the annualised rate of return to maturity will be 3.3%; observation level 2 is the net bond valuation price of CDB GREEN BOND 2021 01 as announced on ChinaBond at around 18:00 Beijing time on the business day prior to 22 June 2022 \times 103.50%.
- (3) If the price of the link subject on the observation date is higher than or equal to observation level 2, the annualised rate of return to maturity will be 3.35%.

Type: Principal-guaranteed floating return

Risk level assessment by the Bank:	Low risk
Termination and redemption:	Depositors have no right of early termination or early redemption. The Bank may terminate on force majeure grounds

Structured Deposit No. 4

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: 8 July 2022

Amount of deposit: RMB30 million, being funds not immediately in use from the internal resources of the Group, which are put into funding after taking into account the operation and businesses of the Group and the requirements for funds in the immediate future

Term: 182 days

Deposit link subject and expected annualised rate of return: The deposit is linked to the net bond valuation price of CDB GREEN BOND 2021 01 as announced on ChinaBond (<http://www.chinabond.com.cn/>) at around 18:00 Beijing time every business day, with an expected annualised rate of return ranging from 1.66% to 3.1%, payable to depositors together with the principal within 2 business days from maturity

- (1) If the price of the link subject on the observation date (6 January 2023) is lower than observation level 1, the annualised rate of return to maturity will be a guaranteed return of 1.66%; observation level 1 is the net bond valuation price of CDB GREEN BOND 2021 01 as announced on ChinaBond at around 18:00 Beijing time on the business day prior to 12 July 2022 × 95.00%.
- (2) If the price of the link subject on the observation date is higher than or equal to observation level 1 and lower than observation level 2, the annualised rate of return to maturity will be 3.05%; observation level 2 is the net bond valuation price of CDB GREEN BOND 2021 01 as announced on ChinaBond at around 18:00 Beijing time on the business day prior to 12 July 2022 × 103.50%.

- (3) If the price of the link subject on the observation date is higher than or equal to observation level 2, the annualised rate of return to maturity will be 3.1%.

Type:	Principal-guaranteed floating return
Risk level assessment by the Bank:	Low risk
Termination and redemption:	Depositors have no right of early termination or early redemption. The Bank may terminate on force majeure grounds

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Taking into account that the Structured Deposits are principal-guaranteed, the Wealth Management Product represents only a small amount of the Group's financial resources and the Bank is a reputable bank with track record and listed on the Stock Exchange, the risk profiles of the Wealth Management Product and the Structured Deposits are considered limited. The higher returns from the Wealth Management Product and the Structured Deposits as compared to those from other general bank deposits in the PRC can benefit the Shareholders with greater value of their Shares. The deployment of funds onto the Wealth Management Product and the Structured Deposits for steady, healthy returns evinces the Company's commitment to a reasonable and efficient management of its funds, and given that the Wealth Management Product is redeemable at any time and the term of the Structured Deposits is relatively short, the Company may enjoy the flexibility to meet its needs when other business opportunities arise.

The Board is of the view that the terms of the Wealth Management Product and the Structured Deposits as well as the transactions contemplated thereunder 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 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 including corporate banking, retail banking and financial market business.

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 No. 1, No. 2 and No. 3, all applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) are below 5%.

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DEFINITIONS

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

“Bank”	CHINA BOHAI BANK CO., LTD., a joint stock company established in the PRC with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 9668)
“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 Area 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 Chongqing Pioneer and the Bank on 20 January 2022
“Structured Deposit No. 2”	the structured deposit entered into between Naqu Pioneer and the Bank on 20 January 2022
“Structured Deposit No. 3”	the structured deposit entered into between Chongqing Pioneer and the Bank on 21 June 2022
“Structured Deposit No. 4”	the structured deposit entered into between Chongqing Pioneer and the Bank on 8 July 2022
“Structured Deposits”	Structured Deposits No. 1, No. 2, No. 3 and No. 4
“Wealth Management Product”	the wealth management product for which Chongqing Pioneer subscribed by entering into an agreement with the Bank on 22 June 2022

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

Hong Kong, 8 July 2022

As at the date of this announcement, Mr. LI Xinzhou, Mr. LUO Chunyi and Mr. XIAO Guoguang are executive Directors, Ms. HU Mingfei is a non-executive Director and Mr. ZHANG Hong, Mr. WONG Chi Hung, Stanley and Mr. LAI Chanshu are independent non-executive Directors.

* *For identification purpose only*