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石四藥集團有限公司

SSY Group Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2005)

BUSINESS UPDATE

LETTER OF INTENT

This is an announcement made by SSY Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to keep shareholders and potential investors of the Company informed of the latest business development of the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the shareholders of the Company and potential investors that on 7 March 2022, Shijiazhuang No. 4 Pharmaceutical Co., Ltd. (石家莊四藥有限公司) (“**Shijiazhuang No. 4**”), an indirect wholly-owned subsidiary of the Company, has entered into a letter of intent (the “**LOI**”) with three individuals (the “**Vendors**”) and Cangzhou Lingang Youyi Chemical Co., Ltd.* (滄州臨港友誼化工有限公司) (the “**Target Company**”) in relation to the potential acquisition of 100% of the equity interest in the Target Company (the “**Potential Acquisition**”). The Company considers that the Potential Acquisition, if materialised, can guarantee the stability in supply and quality of raw materials in the Group’s production of caffeine, and may further lower the material cost of the Group.

The Target Company is principally engaged in the production and sales of methylamine which is one of the key raw materials for production of caffeine. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Vendors are independent of and not connected with the Company or its connected persons.

Shijiazhuang No. 4 is in the process of conducting due diligence on the Target Company. The Potential Acquisition is subject to a formal agreement (the “**Formal Agreement**”), before the entering of which each of the parties shall be entitled to terminate the LOI.

The Company will keep shareholders and potential investors of the Company informed and make further announcement(s) as and when appropriate in compliance with the applicable requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

As at the date of this announcement, no legally binding agreement has been entered into between the parties in respect of the Potential Acquisition. The Potential Acquisition is subject to the entering into of the Formal Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Chow Hing Yeung
Executive Director and Company Secretary

Hong Kong, 7 March 2022

As at the date of this announcement, the Board comprises Mr. Qu Jiguang, Mr. Su Xuejun, Mr. Meng Guo and Mr. Chow Hing Yeung as executive Directors, Mr. Feng Hao as non-executive Director and Mr. Wang Yibing, Mr. Leung Chong Shun and Mr. Chow Kwok Wai as independent non-executive Directors.

** for identification purpose only*