For immediate release 30 March 2020

石四藥集團有限公司
SSY Group Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code : 2005)

SSY Group Limited announces 2019 annual results
Net profits up 25% to HK$1136 million with final dividend HK$0.06/share
Continuous improvements in operating results
Benefits from business diversification emerged

Results summary:

- Total revenue HK$4,636 million, representing an increase of 10.9% y-o-y
- Net profit HK$1,136 million, representing an increase of 24.6% y-o-y
- Gross profit HK$2,877 million, gross profit margin 62.1%
- The Board propose an increased final dividend of HK$0.06 per share

（30 March 2020 – Hong Kong）**SSY Group Limited** (“SSY” or the “Company”; Stock Code: 2005.HK) and its subsidiaries (together, the “Group”) presents the annual results of the Company for the year ended 31 December 2019 (“2019” or the “year”).

During the year, the Group achieved a revenue of HK$4,636 million (or approximately RMB4,079 million), representing an increase of 10.9% (or 15.3% in RMB). The net profit was HK$1,136 million, representing an increase of 24.6% compared with last year. We focused on the reinforcement of penetration rate in major provincial markets, so as to maintain and consolidate our competitive advantage. We continued to be the company with the fastest growth of production and sales volume in the intravenous infusion solutions industry.

The Board of directors proposed to pay a final dividend of HK$0.06 per share for year 2019, together with interim dividend HK$0.05 per share, total dividend HK$0.11 per share for full year of 2019. The total amount to be distributed for the year is HK$334 million, representing an increase of 23% compared with last year.

In 2019, the sales volume of the intravenous infusion solutions reached approximately 1,545 million bottles/bags, representing an increase of approximately 5.6% compared to the last year, of which the proportion of therapeutic infusion solutions increased to 22.3%, representing an increase of 2.6 percentage points compared to last year. Of those, the market access work of Moxifloxacin Hydrochloride and Sodium Chloride Injection has been completed in 22 provinces and has resulted in sales in 21 provinces, achieving a sales of approximately HK$165 million. With the progress of market access and development work in hospitals, it will continue to maintain the momentum in fast development. Ampoule products had a fast growth. During the year, the sales of ampoule products amounted to HK$392 million, representing a growth of 208% compared to last year. Arbidol capsule, as a broad-spectrum antiviral drug, has played a very good role in this fight against the epidemic, and has been widely recognised by medical institutions.

Our technological innovation capabilities have been further enhanced. In 2019, preparation works for reaccreditations of National Centre for Enterprise Technology, Model Enterprises for National Technology Innovation, National and Local Joint Laboratory and Workstation for Postdoctoral Scientific Research have been completed. The Company submitted the review of NP-01, a Type 1 new drug, to the China Center for Drug Evaluation of National Medical Products Administration, which marked the first ever submission of innovative drugs by the Company, demonstrating that the Company had advanced from "generic drug R&D" to "combination of generic and innovative drugs" new stage. During the year, the Company has obtained 13 approvals for production of generic drugs and 2 approvals for consistency evaluation. Among which, Tirofiban Hydrochloride and Sodium Chloride Injection, a cardiovascular drug was viewed as a great potential in promoting for clinical use and thus a key product for the Company's performance development. Fluconazole tablet 150mg specification, being the first one passing consistency evaluation in China, will bring better market potential into effect in its future national product tendering.

In the aspect of development of projects, a production line for large volume and large specification of infusion such as hemofiltration solution and peritoneal dialysis solution was recently built. With GMP certification obtained in May and designed capacity of 20 million bags per year, it is now in production and operation. The main building as well as ancillary construction and structures of the Group's pharmaceutical R&D platform, pilot-testing and industrialized support project, have completed construction and is currently entering latter stages of equipment installation. Phase-one bulk pharmaceuticals project in Bohai new district under Hebei Guangxiang Pharmaceutical Co., Ltd. has been completed. It passed the GMP certification in August 2019 and obtained the necessary approval for spot production of caffeine. Mass production began in October 2019.

Looking ahead for year 2020, the domestic and international economy will be more complex and dynamic. The outbreak of novel coronavirus epidemic caused disturbances to the whole society and production chains. Policies such as Group Purchasing Organisation Programme and control over medical insurance expenditure in China have a long-lasting impact on the operation of pharmaceutical enterprises. Facing numerous uncertain factors, the Group will keep its composure, and do its best in maintaining the momentum in fast development of the Company. Despite the impact of novel coronavirus epidemic on the first quarter sales of intravenous infusion solution, we will strive for a sales volume growth to reach approximately 1,600 million bottles/bags, representing a year-on-year increase of 3.56%. We will continue to expand the sales proportion of therapeutic infusion solution products. We will continue to enhance the utilisation rate of ampoule production lines and enrich products variety. We will actively utilise production capacity of bulk pharmaceuticals. We will create a new growth pole of the solid preparation products like Arbidol capsules.

Regarding the research and development of new products, we will adhere to the new products development idea of "combination of generic and innovative drugs" with injection as the basis. We will make comprehensive progress on the development of new products for therapeutic injections, and focus on various fields including treatment of chronic diseases, respiratory system, circulation systems, emergency anesthesia therapy, antipyretic and analgesic therapy, as well as the new anti-infective therapy. Within this year, we will comprehensively complete the research works for consistency evaluation of the major types of intravenous infusion solutions, and ensure that the Company maintains its leading position in development within the intravenous infusion solutions industry. Regarding innovative drugs, (i) the phase I clinical trial of type 1 anti-tumor new drug NP-01 is expected to commence in the first half of year 2020. (ii) the type 1 new drug AND-9 used for the treatment of liver fibrosis is now under preclinical pharmacology and toxicology studies. (iii) 3 highly active target compounds selected from our self-developed series of compounds for treating pulmonary hypertension are submitted to preclinical investigation. (iv) A preliminary animal experimentation of new type of anti-epileptic compound QO-83 indicates a good potential of drug-formation. (v) Antitumor chemical drug Miriplatin, a type 2 innovative drug, has started the pharmacodynamics study and safety assessment work.

Mr. Qu Jiguang, Chairman and CEO of SSY Group Limited said, "We are full of confidence on the future development of the Company. Leveraging on the competitive edges on our scale, quality and lean management in the industry, our development will be further strengthened despite strong market competition. We are committed to bringing satisfactory return to our investors. I would like to take this opportunity to express our gratitude to our investors and all staff of the Group for their support to the development of the Company."

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About SSY Group Limited

SSY Group Limited is one of the leading pharmaceutical manufacturers in China with nearly 7 decades of operation history and a well-established brand name. The Group went public on the Hong Kong Stock Exchange in December 2005 with stock code 2005. The group has become a component stock of Morgan Stanley Capital International Index (MSCI) China Index from June 2018. The Group is principally engaged in the research, development, manufacture and sale of a wide range of pharmaceutical products, including OTC drugs, bulk medicine and medical materials, mainly intravenous infusion solution to hospital and distributors. The manufacturing plants of the Group locates in Hebei Province and Jiangsu Province in China, its products take leading position in the high-end hospital market in China.

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