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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)

VOLUNTARY ANNOUNCEMENT UPDATE ON PRODUCT DEVELOPMENT

The board of directors (the “Board”) of SSY Group Limited (the “Company”, together with its subsidiaries, the “Group”) is pleased to announce that Shijiazhuang No. 4 Pharmaceutical Co., Ltd. (“Shijiazhuang No. 4 Pharma”, a wholly-owned subsidiary of the Company) and China Pharmaceutical University (中國藥科大學) (“Party B”) entered into the Cooperation Agreement in relation to establishing joint laboratory (the “Agreement”) together with its supplemental agreement on 5 July 2021. Both parties agreed to use their respective qualifications in hardware or expertise in fields of personnel, funds, and technology to establish a school-enterprise joint laboratory and to build up a long-term and stable cooperation relationship in various fields such as new drug research and development.

The principal terms of the Agreement are as follows:

1. Within 5 years since the entering of the Agreement between both parties, Shijiazhuang No. 4 Pharma will invest RMB 3 million in the joint laboratory each year, totaling RMB 15 million;
2. Topics under the cooperation will include: 1) Research on generic drugs’ synthesis technology and preparation bioequivalence; 2) Research on discovery of small molecule and targeted innovative drugs (Major diseases such as anti-tumor and autoimmune);
3. Current 15 projects of Party B involving 11 targets will be within the scope of topics under the cooperation; and
4. Regarding the results from the research, Shijiazhuang No. 4 Pharma will have preemptive rights of acquisition or cooperation, and the acquisition price will be at a 5% discount from the transfer price to a third party. If the project is transferred to a third party, Shijiazhuang No. 4 Pharma will get 5% of the total amount of at least one project each year.

Both parties further entered into a supplemental agreement to jointly promote the research and development, pilot scale-up and industrialization of cannabidiol produced by fully synthetic process, the implementation of regulatory policies for the production, sales and application of cannabidiol drugs, and the respective national and local administrative approvals.

This announcement is a voluntary announcement made by the Company to keep the shareholders and potential investors informed of the latest business development of the Group.

By order of the Board
Chow Hing Yeung
Company Secretary

Hong Kong, 6 July 2021

As at the date of this announcement, the Board comprises Mr. Qu Jiguang, Mr. Wang Xianjun and Mr. Su Xuejun 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.