



石四藥集團有限公司

SSY Group Limited

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

SSY announces 2024 interim results
Net profit HK\$686 million; Interim dividend HK\$0.08/share
Actively respond to industry new trends; Strive for better performance result

Result summary of first half of the year:

- Revenue HK\$3,339 million, representing a growth of 0.2% (in terms of RMB, growth of 2.4%);
 - Net profit HK\$686 million, representing a growth of 7.4%;
- The Board resolved to pay interim dividend of HK\$0.08 /share, growth of 14.3%

(28 August 2024 – Hong Kong) **SSY Group Limited** (“SSY” or the “Company”; Stock Code: 2005.HK) and its subsidiaries (together, the “Group”) presents the interim results of the Company for the six months ended 30 June 2024 (“first half of 2024” or “first half of the year”).

During the first half of 2024, the Group achieved a revenue of approximately Renminbi (“RMB”) 3,034 million, representing an increase of approximately 2.4% as compared to the corresponding period of last year. In terms of Hong Kong dollars, the Group’s sales revenue was approximately HK\$3,339 million in the first half of the year, representing an increase of approximately 0.2% as compared to corresponding period of last year. The Group achieved a net profit of approximately HK\$686 million, representing an increase of approximately 7.4% as compared to the corresponding period of last year. While the domestic economy rebounded and improved, many difficulties such as tough and complex external environment, insufficient economic vitality and higher operational risks still emerged. In response to the various challenges in the domestic and overseas pharmaceutical markets, the Group actively faced difficulties, proactively accelerated the optimization and adjustment of its product mix, strived to expand effective demand and supply, and continued to enhance its resilience, with the Group’s overall operation achieving progress amidst stability.

The Board of directors resolved to pay an interim dividend of HK\$0.08 per share for year 2024, which increased by 14.3% as compared to corresponding period of last year. The total amount to be paid is approximately HK\$237.5 million.

During the first half of the year, the sales revenue of intravenous infusion solutions achieved HK\$2,185 million, representing an increase of 5.6% compared to corresponding period of last year; sales volume reached 1,139 million bottles (bags), representing an increase of 21.7% compared to corresponding period of last year. Benefiting from factors such as the expansion of area of centralized procurement bid renewal and continuous market recovery, the

production and sales advantages were continuously released and the proportion of therapeutic varieties increased amidst stability during the period. Key therapeutic infusion products achieved sales volume of 149 million bottles (bags), representing an increase of 34% compared to the corresponding period of last year. Ampoule injection business effectively stimulated the new market to speed up its breakthrough. Sales volume in the first half of the year was 166,570,000 with a revenue reached HK\$367 million. In terms of oral preparations business, the variety of oral preparations that have passed evaluations is increasingly abundant, continuously providing new market opportunities for the Group. The sales volume of oral preparations reached 800,900,000 tablets (capsules, bags), representing an increase of 8% compared to the corresponding period of last year, with revenue reaching 254 million, representing an increase of 4.1% compared to the corresponding period of last year. The bulk pharmaceuticals business was affected by the low price movement of Caffeine, with external sales of HK\$399 million, representing a decrease of 12.1% compared to the corresponding period of last year. Jiangsu Best New Medical Material continued to strengthen the ancillary capacity of the production chain, recorded external revenue of HK\$94,480,000, representing an increase of 4.9% compared to the corresponding period of last year.

The Group is firmly implementing the innovation and development strategy of “combination of generic and innovative drugs”, proactively constructing an innovative research and development high-energy ecosystem around the fields of anti-viral, anti-bacterial, anti-tumour, nervous system, cardiovascular, digestive and anaesthesia, focusing on the iterative development of high-end complex featured generic drugs, innovative drugs, bulk pharmaceuticals and medical materials, continuously empowering the Group to achieve quality improvement and profitability enhancement. During the first half of the year, 43 new types of preparations and bulk pharmaceuticals were approved, including 29 types of preparations and 14 types of bulk pharmaceuticals. The variety of approved products expanded and accelerated, as of the end of June 2024, a total of 94 product types with 126 specifications have passed or were regarded as passing the consistency evaluation. In terms of research of innovative drugs, the Group’s self-developed anti-pulmonary hypertension Type I innovative drug SYN045 has already started Phase I clinical trials, which are expected to conclude by the end of 2024; Phase I clinical trial regarding anti-liver fibrosis Type I chemical innovative drug ADN-9 will apply for Phase I clinical trials as soon as possible. Regarding the development of complex preparations drugs, in terms of solid preparations, the Group has established a mature platform for sustained release and osmotic pump technology, and has successively developed a number of preparations projects that are technically challenging and have high industrialization thresholds. At the same time, the Group has conducted extensive research in areas such as emulsions, nano-suspension injectable and inhalable preparations, and liposomes.

The Group in line with its own development needs, closely follows the pace of research and development in project construction, coordinates the progress of infrastructure project construction, enabling more innovative achievements to be rapidly industrialized. During the first half of the year, the Group coordinated and pushed forward the construction progress in a sustainable development way, including the new PP plastic bottle infusion production line, the double-chambers-bag infusion production line, the hormone “blow-fill-seal” integrated aseptic filling production line, specialized oral solid preparation production line, and the high-end bulk pharmaceuticals green intelligent manufacturing project, with conditions for

equipment installation or calibration expected to be met within the year.

Looking ahead to the second half of 2024, the Group will actively respond to the new trends and new environment of the pharmaceutical industry, continue to develop the integration of innovation chain, product chain, supply chain and value chain, facilitate a more flexible dual circulation of domestic and international markets, maintain a relatively robust development momentum, and strive for a better performance result. The Group will consolidate and expand the advantages in preparations development, will take into account the current changes in the pharmaceutical market and policies to improve and perfect the marketing management system and operation mechanism; we will fully leverage the role of various levels and types of centralized procurement, continuously expanding market size and market share; we will step up effort to ensure the market development of key products and new products of high value-added preparations, further expand the proportion of production and sales of high value-added products; we will strengthen the assessment of policies and competitive environment, and strive for more market opportunities for the Group's relevant product types that have passed the consistency evaluations. Enhancing the operational quality and efficiency of bulk pharmaceuticals, the Group will continue to improve the product mix, accelerate the transformation and implementation of new products, further optimize processes, enhance quality, and reduce costs, tap into the market potential of commodity bulk pharmaceuticals overseas. At the same time, we will closely link the relationship between preparation enterprises and the Group's bulk pharmaceutical supply, highlight the integrated development features of "bulk pharmaceuticals + preparations", better meet domestic market demands. In the second half of the year, the pace of research and development innovation will be continuously accelerated, we will continue to advance the progress of ongoing projects, maintaining advantages in the number, quality, and efficiency of approvals and submissions. The Group will coordinate and push forward the construction of new and on-going projects, focusing on the integrated development of "bulk pharmaceuticals + preparations" based on actual conditions, strive for early construction completion, early production commencement and early results achievement, and continuously build up the momentum for the sustainable development of the Group.

Mr. Qu Jiguang, Chairman and CEO of SSY said, "Facing the severe economic situation, the Group will strive to take on the initiative of development, maintain the resilience and vitality of innovative development, and promote high-quality development of the enterprise with concrete actions. We firmly believe that with our advantages in scale, quality, management and branding built up in the industry over the years, and with our continuously accelerating innovative momentum, we will bring satisfactory returns to our investors with more solid development results."

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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 is principally engaged in the research, development, manufacturing and selling of pharmaceutical products, including finished medicines of mainly intravenous infusion solution and ampoule injection to hospitals and distributors, bulk pharmaceuticals and medical materials. The manufacturing plants of the Group locates in Hebei Province and Jiangsu Province in China, and its pharmaceutical products has leading position in the high-end hospital market in China.