



# 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 2023 interim results** **Net profit HK\$639 million; Interim dividend HK\$0.07/share** **Determined to seize opportunities; Maintain stable & healthy development**

### **Result summary of first half of the year:**

- Revenue HK\$3,333 million, representing a drop of 2.1% (in terms of RMB, growth of 4.7%);
  - Net profit HK\$639 million, representing a growth of 12%;
  - The Board resolved to pay interim dividend of HK\$0.07 /share

(29 August 2023 – 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 2023 (“first half of 2023” or “first half of the year”).

During the first half of 2023, the Group achieved a revenue of approximately Renminbi (“RMB”) 2,962 million, representing an increase of approximately 4.7% as compared to the corresponding period of last year. However, due to depreciation of Renminbi against Hong Kong dollars by approximately 6.5% as compared to the same period last year, in terms of Hong Kong dollars, the Group’s revenue was approximately HK\$3,333 million in the first half of this year, representing a decrease of 2.1% as compared to corresponding period of last year. The Group achieved a net profit of approximately HK\$639 million, representing an increase of approximately 12% as compared to the corresponding period of last year. Confronted with the tough challenges in the domestic and international pharmaceutical markets, the Group was determined to be ambitious, seize the opportunities and overcome the difficulties. Through a series of operational measures such as accelerating research and development and innovation, integrating market resources and actively exploring potentials, the Group continued to maintain a favourable trend of stable and healthy development.

The Board of directors resolved to pay an interim dividend of HK\$0.07 per share for year 2023, which increased by 16.7% as compared to corresponding period of last year. The total amount to be paid is approximately HK\$208 million.

During the first half of the year, the cumulative sales volume of intravenous infusion solutions reached approximately 936 million bottles (bags), with a revenue of HK\$2,069 million, representing an increase of approximately 24.1% and 12.8% respectively as compared to corresponding period of last year. Among which, production and sales of therapeutic infusion

solutions progressed steadily with revenue amounted to HK\$566 million, representing an increase of 24.7% as compared to corresponding period of last year. Exports of preparations to foreign countries rose against the trend, infusion solutions export revenue amounted to approximately HK\$80.08 million, representing a growth of approximately 25% as compared to corresponding period of last year. Ampoule products recorded continuous growth in sales volume. In the first half of the year, sales volume reached approximately 131 million, representing a growth of approximately 92% as compared to corresponding period of last year. Oral preparations business segment accelerated its expansion and development. In the first half of the year, revenue reaching HK\$244 million, representing a growth of approximately 68% as compared to corresponding period of last year. Due to the impacts of softer market demands and dropping market prices of bulk pharmaceuticals in the first half of the year, revenue was approximately HK\$454 million, representing a decrease of approximately 42% as compared to corresponding period last year. External sales of medical materials in terms of Hong Kong dollar roughly at same level as corresponding period of last year.

The Group has taken the innovation drive as the lead to integrate the Group's own advantages, and coordinated the progress to push forward the research and development of featured generic drugs, bulk pharmaceuticals, innovative drugs, medical materials as well as product types under consistency evaluation, in an effort to establish a new course and a new advantage in the development of featured generic drugs and high-end complex preparation. In the first half of the year, the Group was at the forefront of all pharmaceutical enterprises in China in terms of the number of preparations being submitted for approvals and passed the consistency evaluations, and obtained a total of 34 production approvals for different types, including 8 for bulk pharmaceuticals and 26 for preparations. As of the first half of the year, the number of the Group's products that have passed the consistency evaluation or been regarded as passing the consistency evaluation reached 51 product types with 67 specifications, which has seized opportunities for enhancing market competitiveness for the products. Positive progress has been made in the research of innovative drugs. Phase I clinical trial of type I chemical innovative anti-tumor drug NP-01 project had positive progress. Communication with CDE prior to application of the Phase I clinical trial regarding anti-liver fibrosis innovative drug ADN-9 has been established. Pre-clinical research of anti-pulmonary hypertension drug SYN-045 has been fully commenced.

The Group has accelerated the construction of infrastructure projects. The 3-in-1 plastic ampoule production lines project has been completed and is in the stage of pilot production and verification. Guangxiang Pharmaceutical's featured bulk pharmaceuticals production lines project has been completed and entered the stage of equipment commissioning in the middle of July. The PP upright soft bag injections production lines project is expected to be completed and put into pilot production at the end of September.

Looking ahead to the second half of 2023, facing new trends and environment of the pharmaceutical industry, the Group will continue to promote in-depth integration of innovative chain, industrial chain and value chain, maintain a relatively robust and fast development momentum, and strive for better and more solid business results. In the second half of the year, the Group will conduct in-depth and systematic research and analysis of the national and local procurement policies to ensure precise market access, and will capitalize on the influence and driving effects of the Group Purchasing Organisation Programme. The Group will focus on increasing sales volume of major types of therapeutic infusion products to ensure

the sustainable growth in production and sales of infusion products. The Group will step up effort to increase sales of new ampoule products, explore the market potential of dominant products and develop types that may have revenue of RMB100 million. On the bulk pharmaceuticals business, while stabilising its overseas customer base, the Group will accelerate domestic sales of products with distinctive strengths. Meanwhile, the Group will continue to improve the product mix. In terms of development of specialised generic drug, high-end complex preparations and innovative drugs, the Group will leverage on the cooperation mechanism and talent recruitment mechanism with universities and scientific research institutes to organise the product types in its pipeline and plan, and will explore more high-quality research projects. In the second half of the year, the Group will coordinate to push forward projects with new construction and construction-in-progress, and accelerate advancement of Jiangsu Best New Medical Material to the A-share market of the Beijing Stock Exchange. On the other hand, the Group will actively identify opportunities for merger and acquisition as well as investment in the pharmaceutical industry, which will strengthen the Group's position in the market and products, and enhance the return on investment.

**Mr. Qu Jiguang, Chairman and CEO of SSY** said, "The Group will take on the initiatives in its development, maintain the resilience and dynamism of innovation and development, and facilitate the high-quality development of the Group with concrete actions and solid results. We truly believe that with our advantages in scale, quality, management and branding built up in the industry over the years, and with our continuous the innovative momentum, we will bring satisfactory returns to our investors with stronger 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 a wide range 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.

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