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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)

CONTINUING CONNECTED TRANSACTION MASTER SALE AND PURCHASE AGREEMENT

The Board announces that on 21 July 2017, Shijiazhuang No. 4, a wholly-owned subsidiary of the Company, entered into the Master Sale and Purchase Agreement with Sichuan Xin Kai Yuan, a wholly-owned subsidiary of Sichuan Kelun. The Master Sale and Purchase Agreement was entered into between Shijiazhuang No. 4 as purchaser and Sichuan Xin Kai Yuan as supplier, which constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

LISTING RULES IMPLICATIONS

As Sichuan Xin Kai Yuan is a wholly-owned subsidiary of Sichuan Kelun, which is a substantial shareholder of the Company, Sichuan Xin Kai Yuan is considered as a connected person of the Company. The entering into of the Master Sale and Purchase Agreement between Shijiazhuang No. 4 and Sichuan Xin Kai Yuan will therefore constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the annual cap under the Master Sale and Purchase Agreement is higher than 0.1% but less than 5% on an annual basis, the Master Sale and Purchase Agreement is subject to reporting, annual review and announcement requirements but exempt from the circular (including independent financial advice) and shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

INTRODUCTION

The Board announces that on 21 July 2017, Shijiazhuang No. 4, a wholly-owned subsidiary of the Company, entered into the Master Sale and Purchase Agreement with Sichuan Xin Kai Yuan, a wholly-owned subsidiary of Sichuan Kelun, for the supply of the Material to Shijiazhuang No. 4. The Master Sale and Purchase Agreement was entered into between Shijiazhuang No. 4 as purchaser and Sichuan Xin Kai Yuan as supplier, which constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

THE MASTER SALE AND PURCHASE AGREEMENT AND PRICING POLICY

The principal terms of the Mater Sale and Purchase Agreement and set out as follows:

- Date : 21 July 2017
- Parties : (a) Sichuan Xin Kai Yuan (as supplier)
(b) Shijiazhuang No. 4 (as purchaser)
- Duration : From 1 January 2017 to 31 December 2017
- Pricing policy : The unit price of the Material purchased is calculated based on the prevailing market price as determined by reference to the lowest of the prices of the same or similar material provided by at least two independent third party suppliers obtained by the Group.
- Payment terms : Payments in respect of the Material purchased will be made upon the receipt of the relevant Material by Shijiazhuang No. 4

THE PROPOSED ANNUAL CAP AND THE BASIS OF DETERMINATION

The proposed annual cap for the aggregate amount to be paid under the Master Sale and Purchase Agreement for the period ending 31 December 2017 is RMB8,500,000.

The proposed annual cap has been determined with reference to the term of the Master Sale and Purchase Agreement, historical dealings between the parties and that the estimated maximum amount of the Material to be supplied will not exceed 90 Tonnes for the term.

The amount of purchases of the Material by the Group from Sichuan Xin Kai Yuan did not exceed HK\$3,000,000 prior to the preparation and signing of the Master Sale and Purchase Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MASTER SALE AND PURCHASE AGREEMENT

The entering into of the Master Sale and Purchase Agreement has the benefit of supply of material necessary for the manufacturing of other goods of the Group. The quotation offered by Sichuan Xin Kai Yuan to Shijiazhuang No. 4 for the supply of the Material is no less favourable than those offered to the Group by other independent third parties for the supply of the same material.

The Directors (including the independent non-executive Directors) consider that the terms of the Master Sale and Purchase Agreement, arriving after arm's length negotiations between the parties, are fair and reasonable and the transactions contemplated thereunder (and the proposed annual cap) are entered into in the ordinary and usual course of business of the Group on normal commercial terms and in the interests of the Company and its shareholders as a whole.

INFORMATION ABOUT THE PARTIES

The Group is principally engaged in the research, development, manufacturing and selling of a wide range of pharmaceutical products, which includes finished medicines of mainly intravenous infusion solution to hospitals and distributors, bulk pharmaceuticals and medical materials.

Shijiazhuang No. 4 is a wholly-owned subsidiary of the Company and is principally engaged in manufacturing and sale of pharmaceutical products.

Sichuan Xin Kai Yuan is a wholly-owned subsidiary of Sichuan Kelun, which is a substantial shareholder of the Company. Sichuan Xin Kai Yuan is principally engaged in supplying of pharmaceutical raw materials.

LISTING RULES IMPLICATIONS

Shijiazhuang No. 4 is a wholly-owned subsidiary of the Company. Sichuan Xin Kai Yuan is a wholly-owned subsidiary of Sichuan Kelun, which is a substantial shareholder of the Company. Sichuan Xin Kai Yuan is therefore considered as a connected person of the Company under Chapter 14A of the Listing Rules. The entering into of the Master Sale and Purchase Agreement between Shijiazhuang No. 4 and Sichuan Xin Kai Yuan will therefore constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the annual cap under the Master Sale and Purchase Agreement is higher than 0.1% but less than 5% on an annual basis, the Master Sale and Purchase Agreement is subject to reporting, annual review and announcement requirements but exempt from the circular (including independent financial advice) and shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Directors have material interest in the transactions contemplated under the Master Sale and Purchase Agreement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:

“Board”	the board of Directors
“Company”	SSY Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Sale and Purchase Agreement”	the Master Sale and Purchase Agreement dated 21 July 2017 entered between Sichuan Xin Kai Yuan and Shijiazhuang No. 4 for the supply of the Material
“Material”	Dextran 40, a kind of pharmaceutical raw material
“PRC”	the People’s Republic of China (for the purpose of this announcement, excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC)
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of HK\$0.02 each of the Company
“shareholders”	holders of the Shares
“Shijiazhuang No. 4”	Shijiazhuang No. 4 Pharmaceutical Co., Ltd. (石家莊四藥有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company

“Sichuan Kelun”	四川科倫藥業股份有限公司(Sichuan Kelun Pharmaceutical Company Limited*), a limited liability company established in the PRC and a substantial shareholder of the Company
“Sichuan Xin Kai Yuan”	四川新開元製藥有限公司(Sichuan Xin Kai Yuan Pharmaceutical Company Limited*), a limited liability company established in the PRC and a wholly-owned subsidiary of Sichuan Kelun
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

By Order of the Board
Chow Hing Yeung
Company Secretary

Hong Kong, 21 July 2017

As at the date of this announcement, the Board comprises Mr. Qu Jiguang, Mr. Wang Xianjun and Mr. Su Xuejun as executive Directors, and Mr. Wang Yibing, Mr. Leung Chong Shun and Mr. Chow Kwok Wai as independent non-executive Directors.

* *for identification purpose only*