



# 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 2020 annual results**

**Net profits drop 46% to HK\$612 million with final dividend HK\$0.05/share**  
**Adjust product mix actively; Strive for innovative breakthroughs**

#### **Results summary:**

- Total revenue HK\$4,261 million, representing a decrease of 8.1% y-o-y
- Net profits HK\$612 million, representing a decrease of 46.1% y-o-y
- The Board resolved to pay final dividend of HK\$0.05 /share

( 30 March 2021 – 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 2020 (“2020” or “the year”).

During the year, the Group achieved a revenue of HK\$4,261 million, representing a decrease of 8.1% and the gross profit margin increased by 1.5 percentage point to 63.6%. The Group achieved net profits of HK\$612 million, representing a decrease of 46.1% compared with last year. During the year, the operational activities of various size of hospitals and various types of clinics in the PRC were severely disrupted by the epidemic and thus the number of patients substantially decreased. Also, key product Moxifloxacin Hydrochloride & Sodium Chloride Injection was affected by national centralised procurement. Sales volume of intravenous infusion solutions, being the major products of the Group, dropped considerably. Sales volume of the intravenous infusion solutions was approximately 1,190 million bottles/bags, representing a decrease of approximately 23% compared to last year. Facing significant pressure from the market, the Group responded actively by further securing and stabilizing its market, and laid a solid market foundation for the rapid recovery of the intravenous infusion solution business after the epidemic. On the other hand, the Group took effective measures to actively adjust its product mix and facilitate the rapid growth of businesses in ampoules, bulk pharmaceuticals and oral preparations, so as to further achieve the diversification of the business.

The Board of directors resolved to pay a final dividend of HK\$0.05 per share for year 2020, together with interim dividend HK\$0.05 per share, total dividend for full year of 2020 will be HK\$0.10 per share, representing a decrease of approximately 9% from last year.

During the year, revenue of ampoule products amounted to HK\$863 million, representing a growth of 1.5 times compared to last year. During the year, the Group built a new production

line designated for 10ml PP ampoule injections to further expand production capacity of specialised ampoule products. In respect of bulk pharmaceuticals business, through continuous optimization and enhancement of production processes, preliminary production cost advantage has revealed, a new landscape is gradually formed with major bulk pharmaceuticals and promising new products which are high value-added specialised bulk pharmaceuticals as coordinating development. Oral preparations business segment achieved preliminary results. After implementation of centralised procurement in the PRC, new products Cefdinir capsule and Prucalopride Succinate tablet were the first tender won by the Group. The PRC government has ordered the Group's Abidol Hydrochloride capsule as a broad-spectrum antiviral drug through centralised procurement, which has played a positive role in this fight against the epidemic. The revenues of Abidol for the year amounted to RMB93.40 million, representing a significant increase of 13.5 times compared to last year. Export sales to foreign countries achieved a growth despite the general trend, with increases in export revenue of 40.7% and export revenue of infusion solution of 10.2% compared to last year.

Following along the lines of transformation, upgrade and innovation development, the Group continuously increased its efforts in technological innovation. The Group's pilot-testing and industrialised support project for pharmaceutical research and development platform have been handed over for use in May 2020, which will facilitate the Group its industrial transformation and upgrade. Type I innovative drug NP-01, the Group's first innovative drug, has received approval for clinical trial and its clinical testing research have already commenced. During year 2020, 6 products with 7 specifications, including Prucalopride Succinate tablet (1mg, 2mg), Cefdinir capsule (0.1mg), Rosuvastatin Calcium Tablet (10mg), Doxofylline Injection, Ropivacaine Hydrochloride Injection and Moxifloxacin Hydrochloride & Sodium Chloride Injection, passed the Consistency Evaluation of Quality and Efficacy of Generic Drugs in the PRC or were regarded as passing the consistency evaluation. During the year, 5 approvals for consistency evaluation of injections have been obtained. Ciprofloxacin Lactate Injection was the first one of such product passing the consistency evaluation in the PRC while Fluconazole and Sodium Chloride Injection and Bromhexine Hydrochloride Injection were the second ones of such products passing the consistency evaluation in the PRC. The 250ml: 0.25g specification and 100ml:0.5g specification of Metronidazole and Sodium Chloride Injection were the first and second one of such specifications passing the consistency evaluation in the PRC respectively.

Looking ahead in 2021, domestic and international economy will remain complex and dynamic. Affected by the normality under novel coronavirus epidemic, the pressure arising from external factors may persist and bring new challenges to the Group's operation and sales. Facing numerous uncertainties, the Group will continue to keep its composure, uphold its development focus and do its best in maintaining the momentum in sustainable and stable development of the Group. The Group will promote development by innovation, and improve efficiency by management. The Group will maintain the leading position of our major products in intravenous infusion solution market. The Group will strive to achieve recovery growth of intravenous infusion solution segment, with an estimated sales volume of 1,600 million bottles/bags, representing an increase of approximately 34% from 2020. The Group

will continue to maintain the fast growth of ampoule injection business so as to make ampoule business segment one of the principal businesses of the Company soon. On the other hand, the Group will actively utilize the production capacity of bulk pharmaceuticals and improve capacity utilization to lay a solid foundation for the listing in the PRC. Moreover, the Group will continue to make progress on implementation of innovative drug evaluations and consistency evaluations. We will adhere to the new product development idea of “combination of generic and innovative drugs” with development of as injections the basis. At the same time, we will take into consideration of research and development of new types of oral preparation, bulk pharmaceuticals and medical materials. Meanwhile, the Group strives to make new breakthroughs in the research and development of innovative drugs, push forward the phase I clinical trial of anti-tumor Type 1 innovative drug NP-01, and conduct preliminary research on anti-liver fibrosis Type 1 innovative drug AND-9, anti-epileptic compound QO-83 and anti-tumor Type 2 chemical innovative drug Miriplatin.

**Mr. Qu Jiguang, Chairman and CEO of SSY Group Limited** said, “Facing the risks and challenges persisting during the post-epidemic era, we are full of confidence on the future development of the Group. Leveraging on the competitive edges on our scale, quality, lean management and branding in the industry, we will firmly grasp development initiatives, keep the tenacity and vitality from innovation development, and push forward high-quality development of the Group. We will deliver more solid development results to bring satisfactory returns to our investors.”

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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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