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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 the Group has obtained the production approvals for seven bulk pharmaceuticals, namely Caffeine, Theophylline, Aminophylline, Metronidazole, Metronidazole Benzoate, Nifedipine and Xanthinol Nicotinate (“Bulk Pharmaceuticals Project”) as approved from the Food and Drug Administration of Hebei Province. The production approvals were transferred from a PRC pharmaceutical company at a consideration of Renminbi 35 million.

Caffeine is a psychotropic drug and also a central nervous system stimulant which can temporarily drive away drowsiness and restore energy. Tea, coffee, soft drinks and energy drinks containing caffeine are widely used and highly popular around the world. Theophylline and Aminophylline are mainly used for treatment of diseases such as bronchial asthma, emphysema, bronchitis and cardiac dyspnea. Metronidazole and Metronidazole Benzoate are mainly used for treatment or prevention of systemic or local infections caused by anaerobic bacteria, including anaerobic bacterial infections in the abdominal cavity, digestive tract, female reproductive system and oral cavity. Nifedipine is a first-generation calcium antagonist and is a drug widely sold for antihypertensive and angina pectoris preventive purposes. Xanthinol Nicotinate is mainly used for treatment of diseases such as cerebral vascular obstruction diseases, coronary heart diseases and myocarditis.

Caffeine is a type 2 psychotropic drug which is under special control of the PRC government. The PRC government specifies the pharmaceutical enterprises for production at designated locations, as well as supervises and manages the production, operation, import and export of such type of drug. It is possible that the approval for production of such type of drug will no longer be granted in the future. For other bulk pharmaceuticals aforementioned, they are auxiliary materials to the Group's finished drug products. As there is an increasing monopolization in the bulk pharmaceuticals market in terms of production and supply, the Group's production of bulk pharmaceuticals required for its own products would highly secure such supply. The Group intends to eliminate procedures causing pollution by adopting several measures resulted from scientific research, so as to gear up the Bulk Pharmaceuticals Project with leading techniques in environmental protection. The specific investment plan and budget as well as profit forecast are currently under preparation, and upon completion of the construction of the Bulk Pharmaceutical Project, the Group's source of income may be broaden.

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, 30 August 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.