石四藥集團有限公司
SSY Group Limited

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

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

CHAIRMAN'S STATEMENT

On behalf of the board of directors (the "Board") of SSY Group Limited (the "Company"), I hereby present the unaudited interim results of the Company and its subsidiaries (together, the "Group") for the six months ended 30 June 2025 (the "first half of the year").

I. RESULT AND DIVIDEND DISTRIBUTION

In the first half of 2025, the external environment became more complex and severe, and the Group's operations faced challenges such as insufficient growth momentum in domestic and international demand, continuous decline in product prices, and constant deepening adjustments of industry policies. Facing periodic pressure on its performance, the Group firmly believed in its ability to overcome difficulties, deepened its innovation-driven strategy continuously, optimized its product mix, consolidated and expanded its market share, and strived to solidify the foundation for economic recovery and improvement, addressing uncertainties in the external environment with certainties in the Group's development.

During the first half of the year, the Group achieved a revenue of approximately RMB1,976 million, representing a decrease of approximately 35% compared to the corresponding period of last year. In terms of Hong Kong dollars, in the first half of the year, the Group's revenue was approximately HK$2,147 million, representing a decrease of approximately 36% compared to the corresponding period of last year, and the Group achieved a net profit of approximately HK$284 million, representing a decrease of approximately 58.7% compared to the corresponding period of last year. The Board resolved to pay an interim dividend of HK$0.05 per share on 26 September 2025 to the shareholders named in the register of members of the Company on 12 September 2025, which represented a decrease of 37.5% compared to the corresponding period of last year.

II. BUSINESS REVIEW

(1) Sales of Products

	For the six months ended 30 June				
	2025		2024		
	Revenue	**Percentage of revenue**	Revenue	Percentage of revenue	Increase/ (Decrease)
	HK$'000	***%***	*HK$'000*	*%*	*%*
Intravenous infusion solution and others	**2,045,983**	**95.3**	3,244,459	97.2	(36.9)
(Including: Non-PVC soft bag & upright soft bag infusion solution	**840,192**	**39.2**	1,657,239	49.6	(49.3)
PP plastic bottle infusion solution	**268,317**	**12.5**	435,357	13.1	(38.4)
Glass bottle infusion solution	**90,819**	**4.2**	92,767	2.8	(2.1)
Ampoule injection	**157,381**	**7.3**	366,785	11.0	(57.1)
Bulk pharmaceuticals	**360,543**	**16.8**	398,786	11.9	(9.6)
Oral preparations	**295,732**	**13.8**	254,365	7.6	16.3
Others)	**32,999**	**1.5**	39,160	1.2	(15.7)
Medical materials	**101,205**	**4.7**	94,480	2.8	7.1
Total	**2,147,188**	**100.0**	3,338,939	100.0	(35.7)

The Group insisted on prioritizing market access, actively participated in national and local centralised procurement, and promoted the accelerated volume growth and increased market share of new products and advantageous products. In the first half of the year, the Group participated in local procurement projects at or above the municipal level 480 times. Up to now, a total of 183 product specifications have been selected under the volume-based centralised procurement. In the procurement renewal after the expiration of the National Centralised Procurement agreement, 12 product specifications, including Cefdinir capsules as well as the Fluconazole and Sodium Chloride Injection, won the bid. In the inter-provincial alliance volume-based procurement for chemical drugs led by Sichuan, 8 product specifications won the bid with a significant competitive edge, further enhancing the Group's regional market influence. At the same time, we efficiently facilitated the market access for new products. Among which, Composite Potassium Hydrogen Phosphate Injection achieved coverage in 31 provinces and autonomous regions, while Bisoprolol Fumarate and Amlodipine Besilate Tablets have completed market access in 30 provinces. Six products, including Deferasirox Dispersible Tablets and Epinephrine Hydrochloride Injection, gained

access in over 20 provinces each, while 4 products, including Sodium Acetate Ringer's and Glucose Injection and Voriconazole for Oral Suspension, were approved in over 15 provinces each. The market access coverage of products has been continuously increasing, laying a solid foundation for future performance growth.

In terms of infusion solutions business, sales of infusion solutions products continued to be under pressure due to the combined effects of multiple factors, including changes in the industry policy environment and weak market demand. In the first half of the year, the overall production and sales volume of infusion solutions demonstrated a significant decrease, with sales volume reaching approximately 715 million bottles/(bags), representing a decrease of 37% compared to the corresponding period of last year; and revenue reached HK$1,199 million, representing a decrease of 45% compared to the corresponding period of last year. Facing the sales pressure, the Group actively adapted to policy requirements such as DRG/DIP payment reform, promoted and established a product matrix guided by terminal market value. While strengthening the connection between production and sales, accelerating digital transformation, reducing costs and increasing efficiency, the Group continued to strategically expand and segment the market, increasing the sales proportion of advantageous products such as therapeutic infusion solutions, large-volume and peritoneal dialysis solutions, thereby continuously solidifying the market foundation for infusion solutions products and maintaining stable supply-demand landscape. Through provincial volume-based procurement and increased market development efforts, sales of hemofiltration products reached HK$25.71 million, achieving a growth of 41%. Through primary market development, Acetaminophen Injection and Medium/Long Chain Fat Emulsion Injection (C8-24Ve) achieved sales of HK$14.52 million and HK$10.24 million respectively, representing increases of 218% and 25% compared to the corresponding period of last year.

In terms of ampoule injection business, in the first half of the year, sales volume of ampoule injections reached 178.18 million pieces, representing an increase of 7% compared to the corresponding period of last year; with revenue reached HK$157 million, representing a decrease of 57% compared to the corresponding period of last year. Although sales of ampoule injections was below expectation, that of products selected in the National Centralised Procurement maintained a relatively significant increase. Among which, sales volume of Mecobalamin Injection reached 4.19 million pieces, representing an increase of 61% compared to the corresponding period of last year; sales volume of Urapidil Hydrochloride Injection reached 6.44 million pieces, representing an increase of 28% compared to the corresponding period of last year; sales volume of Ropivacaine Hydrochloride Injection reached 2.53 million pieces, representing an increase of 36% compared to the corresponding period of last year; and Terbutaline Sulfate Nebuliser Solution achieved sales volume of 5.49 million pieces through integrating sales channels, representing an increase of 198% compared to the corresponding period of last year.

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. In the first half of the year, revenue of oral preparations reached HK$296 million, representing an increase of 16% compared to the corresponding period of last year. Sales of new product Betahistine Mesilate Tablets reached HK$11.94 million, with no sales in the corresponding period of last year; Nicorandil Tablets achieved sales of HK$2.53 million, with no sales in the corresponding period of last year; Rosuvastatin Calcium Tablets, which had centralised procurement agreement renewed, achieved sales of HK$21.21 million, representing an increase of 32% compared to the corresponding period of last year; Felodipine Sustained-release Tablets achieved sales of HK$25.90 million, representing an increase of 80% compared to the corresponding period of last year; Epalrestat Tablets achieved sales of HK$11.48 million, representing an increase of 78% compared to the corresponding period of last year; Artificial Calculus Bovis Metronidazole Capsules achieved sales of HK$15.62 million, representing an increase of 9% compared to the corresponding period of last year. Stiripentol for Suspension, a drug for rare diseases, was successfully included in the new National Medical Insurance Drug Catalog through national negotiations, further expanding product accessibility. Its sales volume reached 210,000 bags, representing a year-on-year increase of over 4 times.

In terms of bulk pharmaceuticals business, facing challenges of many uncertainties such as weak market demand and increased tariffs, the Group further strengthened cooperation with major clients and high-end clients of both international and domestic, and deeply explored market potential by increasing efforts in product overseas registration and the European Union CEP certification. In the first half of the year, bulk pharmaceuticals reached revenue of HK$361 million, representing a decrease of 9.6% compared to the corresponding period of last year. Among them, caffeine reached sales volume of 2,142 tons, representing a decrease of 15% compared to the corresponding period of last year; theophylline and aminophylline reached sales volume of approximately 117 tons, representing a decrease of 26% compared to the corresponding period of last year; azithromycin reached sales volume of 164 tons, representing an increase of 6% compared to the corresponding period of last year; metronidazole reached sales volume of 173 tons, representing an increase of 184% compared to the corresponding period of last year.

In terms of export business of preparations, facing multiple constraints such as global economic downturn and slowdown in international market demand, the Group accelerated its pace of "going out", actively breaking through obstacles and reconnecting disconnections, achieving a stable and upward trend in its existing foreign trade of preparations. In the first half of the year, export volume of infusion solutions reached 73.61 million bottles/(bags), representing an increase of 42% compared to the corresponding period of last year; export of ampoule injections reached 5.06 million pieces, representing an increase of 623% compared to the corresponding period of last year; export of oral preparations reached a new high, achieved 9.08 million tablets/(bags), representing an increase of 9958% compared to the corresponding period of last year. Total export sales of preparations amounted to RMB100.45 million, representing an increase of 42% compared to the corresponding period of last year. In the first half of the year, the Group received GMP certificates from three countries including Malawi and passed the quality audit of the Ministry of Health of Rwanda, and at the same time, obtained a total of 49 drug product registration certificates, involving 12 product specifications in 14 countries. At present, a total of 43 products with 103 specifications have been exported to 103 countries and regions worldwide, and the level of international sales of preparations has significantly enhanced.

In terms of medical materials business, during the first half of the year, the Group's overall external sales of medical materials reached HK$101 million, representing an increase of 7.1% compared to the corresponding period of last year. To cope with factors such as the volatility of demand in the downstream industrial chain, the Group continued to strengthen the supporting capabilities with the industrial chain of its main medical material products, such as butyl rubber stoppers and multi-layer co-extrusion films, thereby enhancing market penetration and coverage. Soft tube products and the specialised film for peritoneal dialysis solution showed good market potential, which are expected to become a new growth point for the business.

(2) Research and Development of New Products

The Group accelerated the integrated development of "bulk pharmaceuticals + preparations", and continuously promoted its innovation system and product matrix with innovative drugs as leader, specialised chemical preparations and bulk pharmaceuticals as main body, and high-end medical materials and specialised biotech products as extensions. In the first half of the year, the Group obtained a total of 57 approvals for products of which 7 products ranked the first to the third in China, including 39 specifications for preparations and bulk pharmaceuticals new products (29 for new preparation products and 10 for bulk pharmaceuticals), 13 specifications for supplemental applications, 1 clinical approval for generic drugs, 3 clinical variation approvals for new drugs; and 1 for packaging material. As of 30 June 2025, products of a total of 135 types with 180 specifications have passed or been regarded as passing the consistency evaluation. In the first half of the year, the Group submitted applications for production and sales of products of 42 types with 45 specifications, including 33 types with 36 specifications for preparations, and 9 types for bulk pharmaceuticals.

In terms of the development of specialised generic drugs, among the 29 approved preparations specifications, 15 were injections and 14 were oral preparations, showcasing a diverse range of dosage forms and prominent market advantages. Among them, Composite Potassium Hydrogen Phosphate Injection was the first generic drug of its type in China, two specifications of Timolol Maleate Eye Drops, 0.5% (0.3ml: 1.5mg) and 0.25% (0.3ml: 0.75mg) were the first of passing consistency evaluation in unit dose packaging in China, Tranexamic Acid Tablet (0.5g) was the first of passing consistency evaluation for its specification, and Arbidol Hydrochloride Tablets was the second of such approvals in China. Composite Potassium Hydrogen Phosphate Injection is an inorganic salt phosphorus supplement, mainly used as a phosphorus supplement for patients who need to fast due to surgery or other trauma. Being the first approval, it further enriches the Group's product pipeline and reserves, while providing more treatment options for hypophosphatemia and parenteral nutrition in adult and pediatric patients. Timolol Maleate Eye Drops are effective in lowering intraocular pressure in primary open-angle glaucoma. Tranexamic Acid Tablets are mainly used for various hemorrhages caused by acute or chronic hyperfibrinolysis. Arbidol Hydrochloride Tablets, the second approved type in China, are mainly used for the treatment of upper respiratory tract infections caused by influenza viruses.

In terms of the development of bulk pharmaceuticals, the Group implemented an integrated development strategy of "bulk pharmaceuticals + preparations" to meet its own and the industry chain's needs, strengthened cost control, and enhanced self-controllable level of industry chain and supply chain in bulk pharmaceuticals industry. Under the requirements of green and low-carbon initiatives, the Group promoted technological innovation and industrial upgrading, with positive effects demonstrated. In March 2025, Guangxiang Pharmaceutical, a subsidiary of the Group, had its innovation platform, established around the application of enzyme catalysis technology in the synthesis of biochemical intermediates, recognized as a sub-center of the Enterprise Technology Center by the National Development and Reform Commission. In June 2025, Guolong Pharmaceutical, another subsidiary, was awarded the Shijiazhuang Municipal Government Quality Award. Combining the integrated development of "bulk pharmaceuticals + preparations", in the first half of the year, the Group obtained approvals for 10 specialised bulk pharmaceuticals, including Benidipine Hydrochloride, Piribedil, Nicardipine Hydrochloride, Nimodipine, Felodipine, Diprophylline, Acipimox, Lornoxicam and Riluzole, yielding fruitful results and continuously enhancing their attractiveness to domestic and international markets. As of the end of June 2025, the Group owned 77 types of commodity and specialised bulk pharmaceuticals.

In terms of research and development of innovative drugs, the Group's self-developed anti-pulmonary hypertension Type 1 innovative drug SYN045 is undergoing Phase I clinical trial research. Current results show significant improvements in safety and tolerability as compared with drugs of the same drug target, which are favourable in achieving long-term oral administration. Phase II clinical research is planned to be carried out in patients with rare pulmonary hypertension to determine dose-response relationship in the human body and explore the efficacy and safety in the body of patients. The Group's self-developed anti-epileptic Type 1 innovative drug CX24005 project is currently undergoing compound screening. The compounds screened so far have comparable target activity to the control drug, achieving the same in vivo efficacy in animals, with significantly reduced required dosage and greatly improved bioavailability. Toxicity assessment is currently under preparation, and the project is expected to determine a Preclinical Candidate Compound (PCC) within this year. The self-developed Type 1 innovative drug CX25001 project for anti-diabetic peripheral neuropathic pain is currently undergoing compound screening. The compounds screened so far show increased target activity and comparable metabolic stability compared to the control drug. The project is expected to determine the PCC by 2026. Regarding new improved drugs, three improved formulations are currently under research, two of which have been completed pharmacokinetic-based prescription studies, and the remaining one is planned to submit an Investigational New Drug (IND) application within this year.

In terms of the development of complex formulation drugs, regarding solid preparations, with the Group's mature platform for sustained-release and osmotic pump technology, the Group has successively developed a number of preparation projects that are technically challenging and have high industrialization thresholds. Dapagliflozin and Metformin Hydrochloride Sustained-release Tablets (I) was approved during the period, and Aminopyridine Sustained-release Tablets was the first to be submitted for approval. Currently, the Group has obtained approval for a number of compound preparations and sustained-release & controlled-release preparations, including Levodopa and Carbidopa Tablets (II), Carbidopa and Levodopa Sustained-release Tablets, Nifedipine Sustained-release Tablets (II), and Felodipine Sustained-release Tablets, fully demonstrating its strong technological advantages in compound preparations and sustained-release & controlled-release preparations. Meanwhile, extensive researches have been conducted on emulsions, nano-suspension injectable and inhalable preparations, and cyclodextrin inclusion preparations. Progesterone Injection, as a supplementary treatment for progesterone in assisted reproductive technologies (such as IVF/ICSI), is expected to be approved within this year. At the same time, industrialized verification production of Budesonide Suspension for Inhalation, the first hormonal inhalation preparation, has been completed.

In terms of the development of medical materials, the Group highly valued product innovation to meet the market demand for high-end, specialised application scenarios and new functional medical materials. Since the beginning of this year, the Group has focused on developing rubber pistons for multi-chamber pre-filled injection systems, coated and laminated rubber stoppers, specialised two-color gaskets for insulin, multi-layer co-extrusion infusion tubes, specialised film materials for sterile outer bags, and extra-large peritoneal dialysis solution film materials, among other products, to further enrich the Company's product lines and promote the transformation and upgrading of its medical material business. At the same time, the Group continued to focus on the development of key technologies for medical materials and pharmaceuticals, and actively participated in the formulation of industry standards. Seven method standards, including the "9623 Guideline for Rubber Closures for Pharmaceutical Packages" drafted by the Group, were included in the 2025 edition of the "Pharmacopoeia of the PRC", effectively enhancing the Group's voice in the formulation of industry standards.

In terms of effort on intellectual property, in the first half of the year, the Group applied for 45 patents including 26 invention patents, and was authorized 18 patents including 16 invention patents. As of the end of June 2025, the Group has cumulatively been authorized a total of 360 patents including 180 invention patents, of which 174 are domestic invention patents and 6 are international invention patents.

(3) Development of Infrastructure Projects

The Group accelerates the efficiency of new product industrialization through high-quality project development. In the first half of the year, the Group coordinated and pushed forward the construction progress of ongoing infrastructure projects. Among them, the first phase of high-end preparation industrialization project has been fully completed. For the Hebei Guolong Pharmaceutical Integrated and Innovative Pharmaceutical Development Demonstration Project, the main construction of the raw material warehouse and power workshop has been completed, and its interior and exterior decoration is underway while pile foundation construction is in progress for the multi-layer warehouse. The Hebei Guolong Pharmaceutical high-end bulk pharmaceuticals, medical intermediates, and supporting facilities construction project was put into use in February 2025. The newly construction of specialised oral preparation digitalization production line project commenced in March 2025, and its equipment and pipeline installation are currently underway, with trial production expected to be ready by the end of August.

III. PROSPECTS FOR DEVELOPMENT

Looking ahead to the second half of 2025 ("second half of the year"), the Group will focus its sales efforts and priorities on strengthening confidence and reinforcing expectations, actively responding to challenges such as shrinking demand, supply shocks, and weakening expectations. We will continue to deepen the integrated development of innovation chain, product chain, supply chain and value chain, to consolidate and enhance the positive trend of economic recovery, and to deliver development performance centered on reinforcing market, expectations and growth, thereby rewarding our investors and all staff of the Group.

(1) On the preparations business, the Group will adjust its sales and marketing strategy promptly in response to market changes, taking market access as the key focus, strengthening regional precision management, and selecting high-quality distributors. While shortening launch cycle of new products, the Group will accelerate the development and volume growth of large-volume infusions, ampoule injections and oral preparations in key regions and terminal markets. The Group will continue to follow up on renewal of the first to the eighth rounds of National Centralised Medicines Procurement, fully promote the implementation of items in the eleventh round of National Centralised Medicines Procurement, and actively participate in provincial alliance centralised procurement. By optimizing marketing strategies and improving service quality, the Group aims to ensure a steady increase in success rates in product renewal and bidding so as to achieve sales volume growth. The Group will consolidate its advantages in exports of infusion solutions and will expand overseas markets for oral and lyophilized preparations through multiple channels. We will closely monitor policy changes, strengthen cost control, optimize product mix, and respond to policy risks.

(2) On the bulk pharmaceutical business, the Group will continue to improve its product mix, accelerate the transformation and implementation of new products; further optimize processes, enhance quality and reduce costs. We will deeply tap into the market potential in America, Europe, and Southeast Asia for commodity bulk pharmaceuticals such as Caffeine, Theophylline, Azithromycin, Metronidazole and Nifedipine, and enhance the level of international business. While facilitating the dual circulation of domestic and international markets, we will closely link preparation enterprises with the Group's supply bulk pharmaceuticals, stress on integrated development features of "bulk pharmaceuticals + preparations", better meet domestic market demands, and continuously enhance the resilience and vitality of its development.

(3) Regarding the research and development innovation, the Group will continue to push forward the progress of ongoing projects, maintaining advantages in the number, quality, and efficiency of approvals and submissions, and leveraging the Group's flexible talent mechanism and cooperation mechanism with universities and scientific research institutes to accelerate the efficiency of new product development and continuously enhance its innovation capabilities. In the second half of the year, it is planned to submit applications for market launch approval for products of 55 types with 64 specifications, including 38 types with 47 specifications for preparations, and 17 for bulk pharmaceuticals. It is expected to obtain approvals for preparations and bulk pharmaceuticals of 52 specifications, including 35 types with 37 specifications for preparations, and 15 for bulk pharmaceuticals. We will strive to achieve breakthroughs, make new progress, and create new results in key research and development projects in innovative drugs, new improved drugs and complex preparations. In addition, the Group will strengthen the connection between research & development and its transformation into products, striving to create development opportunities with high-quality new products, and continuously empowering enterprises to ascend to the middle to high ends of value chain through innovative results.

(4) Regarding the coordinated advancement of construction of new and on-going projects, in the second half of the year, the Group will focus on the integrated development of "bulk pharmaceuticals + preparations" pragmatically, coordinate the investment and construction of on-going projects, ensure the effective construction and renovation of key projects to strive for their early construction completion, early production commencement and early results achievement so as to continuously build up the momentum for sustainable development of the Group.

Facing severe and complex economic situation, the Group will strive to take the initiative of development, continuously maintain the resilience and vitality of innovative development, and promote high-quality development of the enterprise with pragmatic measures and solid results. We firmly believe that, with our profound advantages in scale, quality, management, and brand built up in the industry over the years, and with our continuously stimulated innovative momentum, the Group will continue to create value and achieve satisfactory returns for investors with a more solid development pace under current severe market conditions.

I would like to take this opportunity to express our sincere gratitude to our investors and all staff of the Group for their support in the development of the Group.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2025 (unaudited)
(Expressed in Hong Kong dollars)

		Six months ended 30 June	
		2025	2024
	Note	***HK$'000***	*HK$'000*
Revenue	*3*	**2,147,188**	3,338,939
Cost of sales		**(1,256,837)**	(1,495,484)
Gross profit		**890,351**	1,843,455
Other net income		**99,462**	51,519
Selling and distribution costs		**(353,360)**	(758,055)
General and administrative expenses		**(130,824)**	(140,373)
Research and development costs		**(136,257)**	(136,516)
Reversal of impairment losses/(impairment losses) on trade, bills and other receivables		**1,485**	(138)
Other operating expenses		**–**	(10,609)
Profit from operations		**370,857**	849,283
Finance income		**20,113**	23,769
Finance costs		**(54,842)**	(63,163)
Finance costs – net	*4(a)*	**(34,729)**	(39,394)
Share of profit of an associate		**12,978**	13,762
Profit before taxation	*4*	**349,106**	823,651
Income tax	*5*	**(58,909)**	(125,865)
Profit for the period		**290,197**	697,786
Other comprehensive income for the period, net of nil tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation to presentation currency		**118,162**	(67,494)
Other comprehensive income for the period		**118,162**	(67,494)
Total comprehensive income for the period		**408,359**	630,292

	Note	Six months ended 30 June	
		2025	2024
		HK$'000	*HK$'000*
Profit attributable to:			
Equity shareholders of the Company		**283,508**	685,737
Non-controlling interests		**6,689**	12,049
Profit for the period		**290,197**	697,786
Total comprehensive income attributable to:			
Equity shareholders of the Company		**396,734**	620,566
Non-controlling interests		**11,625**	9,726
Total comprehensive income for the period		**408,359**	630,292
Earnings per share	*6*		
Basic		**HK$0.0962**	HK$0.2312
Diluted		**HK$0.0962**	HK$0.2305

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2025 (unaudited)

(Expressed in Hong Kong dollars)

	Note	At 30 June 2025		At 31 December 2024	
		HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Non-current assets					
Property, plant and equipment			**5,480,875**		5,348,764
Right-of-use assets			**394,834**		392,580
Intangible assets			**1,298,674**		1,247,089
Interest in an associate			**433,054**		420,137
Deferred tax assets			**53,782**		50,179
Pledged bank deposits and time deposits			**57,482**		84,010
			7,718,701		7,542,759
Current assets					
Inventories		**1,169,084**		1,109,462	
Trade and bills receivables	*7*	**2,119,171**		2,226,355	
Prepayments, deposits and other receivables		**260,490**		220,590	
Trading securities		**41,946**		34,999	
Pledged bank deposits and time deposits		**144,419**		211,813	
Cash and cash equivalents		**1,338,436**		1,257,702	
		5,073,546		5,060,921	
Current liabilities					
Borrowings		**718,938**		654,927	
Trade and bills payables	*8*	**384,289**		547,618	
Contract liabilities		**55,973**		50,426	
Lease liabilities		**2,331**		2,283	
Accruals and other payables		**459,772**		552,349	
Income tax payable		**6,298**		13,347	
		1,627,601		1,820,950	
Net current assets			**3,445,945**		3,239,971
Total assets less current liabilities			**11,164,646**		10,782,730

	Note	At 30 June 2025		At 31 December 2024	
		HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Non-current liabilities					
Borrowings		**3,296,936**		2,981,004	
Lease liabilities		**298**		1,476	
Deferred tax liabilities		**12,433**		17,571	
Deferred revenue		**257,522**		247,029	
			3,567,189		3,247,080
NET ASSETS			**7,597,457**		7,535,650
CAPITAL AND RESERVES	*9*				
Share capital			**65,829**		65,966
Reserves			**7,204,593**		7,154,274
Total equity attributable to equity shareholders of the Company			**7,270,422**		7,220,240
Non-controlling interests			**327,035**		315,410
TOTAL EQUITY			**7,597,457**		7,535,650

1 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 28 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRS Accounting Standards ("HKFRSs").

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA.

The financial information relating to the financial year ended 31 December 2024 that is included in the interim financial report as comparative information does not constitute the Company's annual consolidated financial statements for that financial year but is derived from those financial statements. The Company's annual consolidated financial statements for the year ended 31 December 2024 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 28 March 2025.

2 Changes in accounting policies

The Group has applied the amendments to HKAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability issued by the HKICPA to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 Revenue and segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified two reportable segments, namely intravenous infusion solution and others and medical materials. No operating segments have been aggregated to form the following reportable segments.

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines and geographical location of customers is as follows:

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregation by major products of service lines		
– Sales of pharmaceutical products	**2,025,207**	3,226,372
– Sales of medical materials	**97,732**	93,170
– Services income	**10,968**	4,895
– Sales of raw materials and by-products	**13,281**	14,502
	2,147,188	3,338,939
Disaggregated by geographical location of customers		
– The PRC (place of domicile)	**1,819,952**	3,002,085
– Other countries	**327,236**	336,854
	2,147,188	3,338,939

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in note 3(b).

(b) Information about profit or loss, assets and liabilities

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below:

	Six months ended 30 June 2025			
	Intravenous infusion solution and others *HK$'000*	**Medical materials** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Disaggregated by timing of revenue recognition				
Point in time	**2,043,032**	**101,205**	**–**	**2,144,237**
Over time	**2,951**	**–**	**–**	**2,951**
Revenue from external customers	**2,045,983**	**101,205**	**–**	**2,147,188**
Inter-segment revenue	**–**	**83,464**	**–**	**83,464**
Reportable segment revenue	**2,045,983**	**184,669**	**–**	**2,230,652**
Operating profit or loss/segment results	**369,240**	**11,001**	**(9,384)**	**370,857**
Finance income	**19,114**	**240**	**759**	**20,113**
Finance costs	**(34,463)**	**–**	**(20,379)**	**(54,842)**
Share of profit of an associate	**12,978**	**–**	**–**	**12,978**
Profit/(loss) before income tax	**366,869**	**11,241**	**(29,004)**	**349,106**
Income tax	**(56,110)**	**(2,799)**	**–**	**(58,909)**
Reportable segment profit/(loss) for the period	**310,759**	**8,442**	**(29,004)**	**290,197**

	Six months ended 30 June 2024			
	Intravenous infusion solution and others	Medical materials	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Disaggregated by timing of revenue recognition				
Point in time	3,244,459	94,480	–	3,338,939
Revenue from external customers	3,244,459	94,480	–	3,338,939
Inter-segment revenue	–	120,029	–	120,029
Reportable segment revenue	3,244,459	214,509	–	3,458,968
Operating profit or loss/segment results	852,025	7,915	(10,657)	849,283
Finance income	23,242	316	211	23,769
Finance costs	(32,822)	–	(30,341)	(63,163)
Share of profit of an associate	13,762	–	–	13,762
Profit/(loss) before income tax	856,207	8,231	(40,787)	823,651
Income tax	(120,664)	(5,201)	–	(125,865)
Reportable segment profit/(loss) for the period	735,543	3,030	(40,787)	697,786

	At 30 June 2025			
	Intravenous infusion solution and others	**Medical materials**	**Unallocated**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Reportable segment assets	**12,062,699**	**573,240**	**156,308**	**12,792,247**
Reportable segment liabilities	**3,938,923**	**43,888**	**1,211,979**	**5,194,790**

	At 31 December 2024			
	Intravenous infusion solution and others	Medical materials	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Reportable segment assets	11,979,257	546,603	77,820	12,603,680
Reportable segment liabilities	3,980,629	48,721	1,038,680	5,068,030

4 Profit before taxation

Profit before taxation is arrived at after (crediting)/charging:

(a) Finance income and costs

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
Finance income:		
– Interest income on bank deposits	**(13,416)**	(15,786)
– Net foreign exchange gain	**(6,697)**	(7,983)
Finance income	**(20,113)**	(23,769)
Finance costs:		
– Interest expense of borrowings	**54,776**	63,050
– Interest on lease liabilities	**66**	113
Finance costs	**54,842**	63,163
Finance costs–net	**34,729**	39,394

(b) Staff costs

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
Contributions to defined contribution retirement plan	**31,747**	28,217
Salaries, wages and other benefits	**296,957**	345,704
	328,704	373,921

(c) Other items

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
Research and development costs	**212,757**	247,094
Less: costs capitalised into intangible assets	**(76,500)**	(110,578)
	136,257	136,516
Cost of inventories[#]	**1,249,934**	1,496,712
Government grants	**(77,526)**	(36,114)
Depreciation charges		
– owned property, plant and equipment	**186,039**	194,786
– right-of-use assets	**4,719**	5,001
Amortisation of intangible assets	**39,837**	30,472
Gain on disposal of property, plant and equipment	**(40)**	(417)
Net unrealised (gain)/loss on trading securities	**(6,348)**	4,264
Impairment loss on		
– goodwill	**–**	10,609
– other intangible assets	**15,647**	12,378

[#] Cost of inventories includes HK$324,425,000 (six months ended 30 June 2024: HK$362,844,000) relating to staff costs, depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in note 4(b) for each of these types of expenses.

5 Income tax

(a) Taxation in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
Current tax – PRC corporate income tax ("CIT")	**67,088**	137,254
Deferred taxation	**(8,179)**	(11,389)
	58,909	125,865

Shijiazhuang No. 4 Pharmaceutical Co., Ltd., Jiangsu Best New Medical Material Co., Ltd., Hebei Guangxiang Pharmaceutical Co., Ltd., Cangzhou Lingang Youyi Chemical Co., Ltd. and Hebei Guolong Pharmaceutical Co., Ltd. have been certified as High and New Technology Enterprises ("HNTE") in 2024, 2023, 2023, 2022 and 2023, respectively. According to the tax incentives rules of the CIT Law of the People's Republic of China (the "CIT Law") for High and New Technology Enterprises, these entities are subject to preferential income tax rate of 15% for three years. According to the PRC income tax law and its relevant regulations, an additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income.

All other subsidiaries of the Company established and operated in the PRC are subject to the PRC CIT at an applicable rate of 25%. Taxation for other entities of the Group is charged at their respective applicable income tax rates ruling in the relevant jurisdictions.

The CIT Law and its relevant regulations also impose a withholding tax at 10% on the foreign investors with respect to dividend distributions made out of the PRC entities from earnings accumulated from 1 January 2008, unless the foreign investors meet certain requirements specified in the relevant tax regulations in the PRC and accordingly are entitled to a preferential rate of 5%. Deferred tax liabilities have been provided for in this regard based on the expected dividends to be distributed from the Group's PRC subsidiaries in the foreseeable future in respect of the profits generated since 1 January 2008. At 30 June 2025, temporary differences relating to the undistributed profits of subsidiaries in the PRC amounted to HK$7,427,594,000 (31 December 2024: HK$7,403,032,000). Deferred tax liabilities of HK$371,380,000 (31 December 2024: HK$370,152,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Group controls the dividend policy of these subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

6 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK$283,508,000 for the six months ended 30 June 2025 (six months ended 30 June 2024: HK$685,737,000) and the weighted average number of 2,947,778,000 ordinary shares (six months ended 30 June 2024: 2,965,743,000 ordinary shares) in issue during the interim period.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of HK$283,508,000 for the six months ended 30 June 2025 (six months ended 30 June 2024: HK$685,737,000) and the weighted average number of 2,947,778,000 ordinary shares for the six months ended 30 June 2025 (six months ended 30 June 2024: 2,974,732,000 ordinary shares) after adjusting for the effects of dilutive potential ordinary shares under the Company's share option scheme, calculated as follows:

Weighted average number of ordinary shares (diluted)

	Six months ended 30 June	
	2025	2024
	'000	*'000*
Weighted average number of ordinary shares at 30 June (basic)	**2,947,778**	2,965,743
Effect of deemed issue of shares under the Company's share option scheme	**–**	8,989
Weighted average number of ordinary shares at 30 June (diluted)	**2,947,778**	2,974,732

7 Trade and bills receivables

As of the end of the reporting period, the ageing analysis of trade debtors and bills receivables, based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance, is as follows:

	30 June 2025	31 December 2024
	HK$'000	*HK$'000*
Within 1 year	**2,094,915**	2,227,244
1 to 2 years	**41,501**	17,607
More than 2 years	**342**	337
Less: Loss allowance	**(17,587)**	(18,833)
	2,119,171	2,226,355

As at 30 June 2025, bills receivable of HK$166,527,000 (31 December 2024: HK$135,461,000) mainly represent short-term bank acceptance bills receivable that entitle the Group to receive the full face amount from the banks at maturity, which generally ranges from 3 to 12 months from the date of issuance. Historically, the Group had experienced no credit losses on bills receivable. The Group from time to time endorses bills receivable to suppliers in order to settle payables.

As at 30 June 2025, the Group endorsed certain bank acceptance bills to suppliers for settling payables of the same amount on a full recourse basis. The Group has derecognised these bills receivable and payables to suppliers in their entirety. These derecognised bank acceptance bills had a maturity date of less than twelve months from the end of the reporting period. In the opinion of the directors, the Group has transferred substantially all the risks and rewards of ownership of these bills and has discharged its obligation of the payables to its suppliers, and the Group has limited exposure in respect of the settlement obligation of these bills receivable under the relevant PRC rules and regulations, should the issuing banks fail to settle the bills on maturity date. The Group considered the issuing banks of these bills are of good credit quality and non-settlement of these bills by the issuing banks on maturity is not probable. Bills receivable were therefore derecognised. As at 30 June 2025, the Group's maximum exposure to loss and undiscounted cash outflow, which is same as the amount payable by the Group to suppliers in respect of the endorsed bills, should the issuing banks fail to settle the bills on maturity date, amounted to approximately HK$515 million (31 December 2024: approximately HK$730 million).

8 Trade and bills payables

As of the end of the reporting period, the ageing analysis of trade and bills payables, based on the invoice date, is as follows:

	30 June 2025	31 December 2024
	HK$'000	*HK$'000*
Within 3 months	**266,082**	284,273
4 to 6 months	**101,893**	244,241
7 to 12 months	**13,118**	11,328
More than 1 year	**3,196**	7,776
	384,289	547,618

9 Capital, reserves and dividends

(a) Dividends

(i) Dividends payable to equity shareholders attributable to the interim period

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
Interim dividend declared after the interim period, of HK5.0 cents per share (30 June 2024: HK8.0 cents per share)	**146,726**	237,523

The interim dividend has not been recognised as a liability at the end of the reporting period.

The interim dividend for the six months ended 30 June 2024 was subsequently paid in September 2024.

(ii) Dividends payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of HK9.5 cents per share (30 June 2024: HK10.0 cents per share)	**280,356**	296,904

The share premium account may be applied by the Company to pay distributions or dividends to the equity shareholders of the Company in accordance with the Company Law of the Cayman Islands.

(b) Purchase and cancellation of own shares

During the six months ended 30 June 2025, the Company repurchased a total of 22,700,000 ordinary shares of the Company through the Stock Exchange at an aggregate consideration of approximately HK$66,196,000, and 6,846,000 ordinary shares were cancelled in accordance with the Company Law of the Cayman Islands, of which, 746,000 ordinary shares were repurchased in December 2024.

The remaining 16,600,000 repurchased ordinary shares were treated as treasury shares as at 30 June 2025. The consideration paid on such repurchase of HK$45,857,000 was charged to capital reserve for the six months ended 30 June 2025.

During the six months ended 30 June 2024, the Company did not repurchase ordinary shares of the Company through the Stock Exchange and no ordinary shares were cancelled.

(c) Share option scheme

No share options were granted and exercised during the six months ended 30 June 2025 and 2024. As at 30 June 2025, the total number of share options outstanding and exercisable was 100,000,000 (31 December 2024: 100,000,000).

(d) Restricted share award scheme

The Company adopted a restricted share award scheme on 27 December 2018, pursuant to which, existing shares of the Company will be purchased by the trustee. The maximum number of shares which the trustee may purchase with funds contributed by the Group is 2% of the Company's issued share capital as at 27 December 2018, and each selected participant may be granted, at any one time or in aggregate, no more than 1% of the Company's issued share capital as at 27 December 2018.

During the six months ended 30 June 2025 and 2024, no share has been purchased by the trustee and no share has been awarded to the selected participant. In 2023, the Trust acquired 3,300,000 shares from the market at an average prevailing market price of approximately HK$4.525 per share at an aggregate consideration of approximately HK$14,933,000. The restricted shares held at the end of reporting period were classified as treasury shares and presented as a deduction in equity. No restricted shares were granted, vested, cancelled or lapsed under the Restricted Share Award Scheme during the six months ended 30 June 2025 and 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

SSY Group Limited (the "Company") and its subsidiaries (together, the "Group") are principally engaged in the research, development, manufacturing and sales of pharmaceutical products, which includes finished medicines of mainly intravenous infusion solution and ampoule injection to hospitals and distributors, bulk pharmaceuticals and medical materials. The Group has manufacturing plants in Hebei Province and Jiangsu Province, the People's Republic of China (the "PRC"), and sells to customers mainly in the PRC.

For the six months ended 30 June 2025, the review on the Group's business performance and financial performance are contained in the Chairman's statement under section headed "II. BUSINESS REVIEW" and in this Management Discussion and Analysis under section headed "FINANCIAL PERFORMANCE REVIEW" respectively. The future development in the Group's business is discussed in the Chairman's statement under section headed "III. PROSPECTS FOR DEVELOPMENT".

FINANCIAL PERFORMANCE REVIEW

Revenue

The Group's intravenous infusion solution products and ampoule injection products are mainly manufactured and sold by Shijiazhuang No. 4 Pharmaceutical Co., Ltd. ("Shijiazhuang No. 4 Pharma"), a wholly-owned subsidiary in the Group. There are different forms of packing in intravenous infusion products, including Non-PVC Soft Bag, Upright Soft Bag, PP Plastic Bottle and Glass Bottle, while ampoule injection products are mainly small liquid injections in forms of PP plastic and glass. The Group's bulk pharmaceuticals products are mainly manufactured and sold by Hebei Guolong Pharmaceutical Co., Ltd. ("Hebei Guolong"), Hebei Guangxiang Pharmaceutical Co., Ltd. ("Hebei Guangxiang") and Cangzhou Lingang Youyi Chemical Co., Ltd. ("Youyi Chemical"), all being subsidiaries in the Group. The Group's medical materials are mainly manufactured and sold by Jiangsu Best New Medical Material Co., Ltd. ("Jiangsu Best"), a subsidiary in the Group.

Majority of the Group's sales are conducted in the PRC and are denominated in Renminbi ("RMB"), which depreciated by approximately 1.3% when translated into Hong Kong dollars ("HK$") for the six months ended 30 June 2025 as compared with corresponding period of last year on average. In terms of HK$, revenue of the Group decreased by 36% from HK$3,338,939,000 in corresponding period of last year to HK$2,147,188,000 mainly due to a drop in sales volume of intravenous infusion ("IV") solution and revenue from ampoule injections.

In the first quarter of 2024, the influenza outbreak in the PRC led to strong market demand for IV solution but since year 2025, the growth of terminal sales volume of medicines has been affected by the absence of large-scale epidemic in the PRC and the control of medical insurance cost. There was an overall volume drop of 37% in IV for the six months ended 30 June 2025 as compared with corresponding period of last year. Furthermore, the expansion of various forms of volume-based procurement (including the National Centralised Procurement and local alliance centralised procurement) and the intensification of domestic and international industry competition have brought about continuing price pressure. As a result, for the six months ended 30 June 2025, total revenue from IV accounted for HK$1,199,328,000 (30 June 2024: HK$2,185,363,000), representing a decrease of 45% as compared with corresponding period of last year. Among which, revenue from Non-PVC Soft Bag and Upright Soft Bag Infusion Solution were HK$593,786,000 and HK$246,406,000 respectively, totalling HK$840,192,000, representing a decrease of 49.3% as compared with corresponding period of last year and accounted for 70.1% of the total revenue from IV solution; revenue from PP Plastic Bottle Infusion Solution was HK$268,317,000, representing a decrease of 38.4% as compared with corresponding period of last year and accounted for 22.4% of the total revenue from IV solution; revenue from Glass Bottle Infusion Solution was HK$90,819,000, representing a slight decrease of 2.1% as compared with corresponding period of last year and accounted for 7.6% of the total revenue from IV solution.

During the first half year of 2025, revenue from ampoule injections accounted for HK$157,381,000 (30 June 2024: HK$366,785,000), which decreased by 57% as compared with corresponding period of last year mainly due to drop in revenue from Bromhexine Hydrochloride injection which was no longer sold through the National Centralised Procurement. Revenue from bulk pharmaceuticals accounted for HK$360,543,000 for the six months ended 30 June 2025 (30 June 2024: HK$398,786,000), representing a drop of 9.6% as compared with corresponding period of last year mainly because market price of caffein has not yet fully recovered from its low level. On the other hand, revenue from oral preparations accounted for HK$295,732,000 for the six months ended 30 June 2025 (30 June 2024: HK$254,365,000), representing a growth of 16% as compared to corresponding period of last year which was mainly contributed by growth in Felodipine Sustained-release Tablets, Betahistine Mesylate Tablets, Epalrestat Tablets, Rosuvastatin Calcium Tablets, Cinacalcet Hydrochloride Tablets and other new products of oral preparations.

During the first half year of 2025, revenue from medical materials products contributed HK$101,205,000 (30 June 2024: HK$94,480,000) to the Group, representing an increase of 7.1% as compared with corresponding period of last year mainly contributed by sales of new products. The Group will keep focusing its production in high quality intravenous infusion solution products such as therapeutic infusion solution. The Group will also keep introducing new products in ampoule injections, bulk pharmaceuticals, oral preparations and medical materials to drive revenue growth.

Cost of sales

The Group has been adopting various cost control measures such as production process optimization, equipment modification and energy conservation. During the first half year of 2025, the Group's cost of sales decreased by 16% to HK$1,256,837,000 as compared to the corresponding period last year of HK$1,495,484,000 under such cost management processes and also as a result of drop in overall sales volume of IV. The cost of direct materials, direct labour and other costs represented approximately 60.8%, 13.9% and 25.3% of the total cost of sales respectively, while their comparative percentages for the corresponding period of last year were 58.9%, 14.1% and 27.0% respectively.

Gross profit margin

For the six months ended 30 June 2025, the Group recorded a total gross profit of HK$890,351,000 (30 June 2024: HK$1,843,455,000). As compared with corresponding period of last year, there were a larger proportion of revenue from finished medicines being sold through centralised procurement and drop in average selling prices of existing IV and ampoule injections products, but meanwhile they contributed to the reduction of selling and distribution costs. As a result, overall gross profit margin decreased by 13.7 percentage point to 41.5% for the six months ended 30 June 2025 from 55.2% for the corresponding period last year.

Other net income

For the six months ended 30 June 2025, the Group's other net income increased to approximately HK$99,462,000 (30 June 2024: HK$51,519,000) which mainly represented government grants.

Selling and distribution costs

For the six months ended 30 June 2025, selling and distribution costs amounted to approximately HK$353,360,000 (30 June 2024: HK$758,055,000), which mainly consisted of advertising, marketing and promotion expenses of approximately HK$142,056,000 (30 June 2024: HK$482,459,000), transportation cost of approximately HK$121,973,000 (30 June 2024: HK$148,815,000) as well as salary expenses for sales and marketing staff of approximately HK$49,614,000 (30 June 2024: HK$56,103,000).

Selling and distribution costs dropped significantly by 53.4% for the six months ended 30 June 2025 as compared with corresponding period of last year. During the first half year of 2025, the Group has keep optimizing the efficiency of its sales channel, and a higher proportion of finished medicines were sold through centralised procurement, which both resulted in a significant drop in advertising, marketing and promotion expenses from corresponding period of last year. Also, there was a drop in overall sales volume of IV from corresponding period of last year.

General and administrative expenses

For the six months ended 30 June 2025, general and administrative expenses was approximately HK$130,824,000 (30 June 2024: HK$140,373,000) which mainly comprised of salaries expenses for administrative staff of approximately HK$54,062,000 (30 June 2024: HK$50,800,000), depreciation and amortisation (other than research and development) expenses of approximately HK$32,862,000 (30 June 2024: HK$46,466,000) as well as utility expenses of approximately HK$10,594,000 (30 June 2024: HK$4,645,000).

There was a decrease of 6.8% in general and administrative expenses for the six months ended 30 June 2025 as compared with corresponding period of last year mainly due to lower depreciation and amortisation expenses.

Research and development costs

For the six months ended 30 June 2025, research and development ("R&D") costs was approximately HK$136,257,000 (30 June 2024: HK$136,516,000), which comprised salaries expenses for R&D staff of approximately HK$50,158,000 (30 June 2024: HK$56,721,000), depreciation and amortisation expenses of approximately HK$27,314,000 (30 June 2024: HK$18,714,000) as well as other costs (such as raw materials and consumables) directly expensed of approximately HK$58,785,000 (30 June 2024: HK$61,081,000).

With the progression of the Group's projects of new products and innovative drugs development, the overall R&D costs remained relatively stable for the six months ended 30 June 2025 as compared to corresponding period of last year.

Profit from operations

For the six months ended 30 June 2025, the Group's profit from operations amounted to HK$370,857,000, representing a decrease of 56.3% as compared to HK$849,283,000 of the corresponding period last year, and the Group's operating profit margin (defined as profit from operations divided by total revenue) was lowered to 17.3% as compared to 25.4% of last year mainly driven by a lower gross profit margin as compared to corresponding period of last year.

Net finance costs

The Group's net finance costs, which represented mainly interest expenses of bank borrowings less interest income on bank deposits and foreign exchange gain, decreased by 11.8% to HK$34,729,000 for the six months ended 30 June 2025 (30 June 2024: HK$39,394,000) mainly due to a lower average bank borrowings interest rate as compared to corresponding period of last year.

Income tax expense

The Group's subsidiaries, namely Shijiazhuang No. 4 Pharma, Jiangsu Best, Hebei Guangxiang, Hebei Guolong and Youyi Chemical, have been certified as High and New Technology Enterprises and thus subject to a reduced corporate income tax of 15% in the PRC for year 2024 and the six months ended 30 June 2025. For the first half of year 2025, the income tax expense decreased by 53.2% to HK$58,909,000 (30 June 2024: HK$125,865,000) mainly due to a lower profit before taxation of the Group.

Profit attributable to equity shareholders

The profit attributable to equity shareholders of the Company for the six months ended 30 June 2025 decreased by 58.7% to HK$283,508,000 (30 June 2024: HK$685,737,000), with net profit margin (defined as profit attributable to equity shareholders of the Company divided by total revenue) decreased from 20.5% of the corresponding period last year to 13.2% for the six months ended 30 June 2025.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group primarily finances its working capital and other capital requirements by net cash generated from operating activities and resorts to external financing including both long-term and short-term bank borrowings from time to time in case the projected operating cash flow is insufficient to meet the capital requirements.

As at 30 June 2025, the Group's cash and cash equivalents increased by 6.4% to HK$1,338,436,000 (31 December 2024: HK$1,257,702,000), mostly denominated in RMB.

As at 30 June 2025, the Group's bank borrowings increased by 10.4% to HK$4,015,874,000 (31 December 2024: HK$3,635,931,000), comprising HK$3,317,773,000 (31 December 2024: HK$2,435,487,000) of borrowings denominated in RMB and HK$698,101,000 (31 December 2024: HK$1,200,444,000) in Hong Kong dollars. Management considers an increase in onshore bank borrowings will benefit the Group as whole due to a lower average bank borrowings interest rate as compared to last year. As at 30 June 2025, all of the Group's bank borrowings were repayable within 5 years, mostly bearing interest at variable rates.

Gearing ratio (defined as bank borrowings and lease liabilities less cash and cash equivalents divided by total capital less non-controlling interests) was 26.9% as at 30 June 2025 which was higher than 24.8% as at 31 December 2024 due to increase in onshore bank borrowings. Current ratio (defined as current assets divided by current liabilities) further improved from 2.78 as at 31 December 2024 to 3.12 as at 30 June 2025.

As at 30 June 2025, the Group's total capital commitments outstanding but not provided for was HK$535,659,000 (31 December 2024: HK$561,838,000).

Overall, the Group continued to maintain a sound liquidity position, a sufficient working capital level and a low-risk capital structure in view of the Group's operation needs and capital commitments.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group had approximately 5,700 employees (approximately 5,800 employees as at 30 June 2024), most of whom were based in the PRC. The remuneration policy of employees other than executive Directors and senior management is based on industry practice and is periodically reviewed by executive Directors or senior management. Apart from social insurance and in-house training programmes, other kinds of remuneration such as discretionary bonuses, share options granted under the share option schemes of the Company and shares granted under the Restricted Share Award Scheme may be awarded to eligible employees according to the assessment of individual performance. Please refer details of the share option schemes of the Company and the Restricted Share Award Scheme in the respective sections in the Management Discussion and Analysis.

The overriding objective of the remuneration policy of executive Directors and senior management is to provide the packages needed to attract, retain and motivate executive Directors and senior management of the quality required to run the Company successfully, without paying more than necessary. The remuneration policy of executive Directors and senior management are reviewed and recommended for the Board's approval by the Remuneration Committee. In addition, share options may be granted under the share option schemes of the Company and shares may be granted under the Restricted Share Award Scheme to the executive Directors and senior management. The remuneration package is reviewed with reference to the Board's corporate goals and objectives, prevailing market practice, duties and responsibilities of the individual executive Director or senior management and his/her contribution to the Group. The objective of remunerating non-executive Directors is to ensure that they are remunerated sufficiently but not excessively for their efforts and time dedicated to the Company.

The total remuneration cost incurred by the Group for the six months ended 30 June 2025 was approximately HK$328,704,000 (30 June 2024: HK$373,921,000), representing a decrease of 12% as compared with corresponding period of last year mainly due to lower salaries expenses for sales and marketing staff and R&D staff.

PLEDGE OF ASSETS

As at 30 June 2025, certain bank deposits of HK$22,192,000 (31 December 2024: HK$84,152,000) were pledged for letters of credit facilities and bank acceptance notes issued by the Group, and bank deposits of HK$39,050,000 (31 December 2024: HK$19,019,000) were the restricted cash. As at 30 June 2025 and 31 December 2024, none of the Group's right-of-use assets were pledged as collateral for the Group's bank borrowings.

FOREIGN EXCHANGE RISK

Majority of the Group's businesses are operated in the PRC and are denominated in RMB. Except for the foreign currency translation risk arising from the translation into Hong Kong dollars for the financial statements of subsidiaries with the functional currencies of RMB, the Group does not expect any materially adverse effects of the exchange rate fluctuation. Hence, no financial instrument for hedging was employed. Nevertheless, the Group is closely monitoring the financial market and would consider appropriate measures if required.

As at the following dates, the exchange rates of converting Hong Kong dollars into RMB (as calculated in Hong Kong dollars) were:

1 January 2024	0.90622
30 June 2024	0.91268
1 January 2025	0.92604
30 June 2025	0.91195

MATERIAL ACQUISITIONS AND DISPOSALS

There was no material acquisition or disposal of subsidiaries or associates during the six months ended 30 June 2025.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any significant contingent liabilities.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During six months ended 30 June 2025, the Company acquired an aggregate of 22,700,000 ordinary shares through purchases on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at an aggregate consideration of approximately HK$66,196,000 which details are set out below. Among all of the above shares, 6,100,000 shares have been cancelled as at 30 June 2025, and the remaining 16,600,000 shares were held as treasury shares of the Company as at 30 June 2025 and date of this Interim Report.

Month of the purchases	**Number of shares purchased**	**Highest price paid per share** *(HK$)*	**Lowest price paid per share** *(HK$)*	**Aggregate consideration** (inclusive of fees and charges) *(HK$)*
January 2025	3,300,000	3.45	3.19	10,751,000
April 2025	2,800,000	3.44	3.33	9,588,000
Total number of shares cancelled	**6,100,000**			**20,339,000**
June 2025	16,600,000	2.85	2.61	45,857,000
Total number of shares held as treasury shares	**16,600,000**			**45,857,000**

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that a sufficient public float of more than 25% of the issued capital of the Company has been maintained as at the latest practicable date, being 28 August 2025, and at all times during the six months ended 30 June 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code"). Having made specific enquiry with all Directors, the Directors confirmed that they had complied with the required standard set out in the Model Code during the six months ended 30 June 2025.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining a high standard of corporate governance. The Board believes that good corporate governance practices are essential for the growth of the Group and for safeguarding and maximizing shareholders' interests.

The Company has complied with all applicable code provisions of the Corporate Governance Code (the "CG Code") set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30 June 2025, except for the deviation as follows:

Under code provision C.2.1 of the CG code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Qu Jiguang has been appointed as the chairman of the Board, who has the principal role of providing the leadership for and effective running of the Board. In view of the present composition of the Board and the in-depth knowledge of Mr. Qu Jiguang in the Company's operations and pharmaceutical industry, Mr. Qu Jiguang has also assumed the role as the chief executive officer of the Company, who was delegated with the responsibilities to lead the management implementing the business strategies of the Group. The Board believes that it is in the best interest of the Company to vest both roles in Mr. Qu Jiguang, which allows for more effective planning and execution of business strategies. As all major decisions are made in consultation with members of the Board, the Company believes that there is adequate balance of power and authority in place.

Following the appointment of Ms. Qu Wanrong as a member of the Nomination Committee on 20 June 2025, the Nomination Committee has one director of a different gender. The Company has been in compliance with the amended CG Code which came into effect on 1 July 2025.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

As a pharmaceutical enterprise, the Group understand the importance of environmental sustainability and green manufacturing and is committed to generating a positive impact on the society and the environment. The investors and stakeholders are placing more emphasis on the performance of the environmental, social and governance ("ESG") aspect. In addition to achieving our business objectives, we recognize our responsibility to operate in a more responsible and sustainable manner by integrating ESG considerations into our day-to-day operations.

INDEPENDENT REVIEW OF AUDITORS

The interim financial report for the six months ended 30 June 2025 is unaudited, but has been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report is included in the Interim Report.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed and approved the interim financial information of the Group for the six months ended 30 June 2025 as contained in this interim results announcement.

INTERIM DIVIDEND

The Board resolved to pay on 26 September 2025 an interim dividend of HK5 cents per share (30 June 2024: HK8 cents per share) amounting to a total of approximately HK$146,726,000 for the six months ended 30 June 2025 (30 June 2024: HK$237,523,000) to the shareholders named in the register of members of the Company on 12 September 2025.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 15 September 2025 to Thursday, 18 September 2025 (both days inclusive), during which period, no transfer of shares will be registered.

In order to qualify for the interim dividend, all transfer documents, accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m., Friday, 12 September 2025.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the Company's website (www.ssygroup.com.hk) and on the website of Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The interim report containing all the information required by the Listing Rules will be available on the above websites and will be despatched to the shareholders in due course.

Finally, on behalf of the Board, I hereby express our sincere gratitude to our investors and staff for their dedicated support to the Group.

On behalf of the Board
Qu Jiguang
Chairman

Hong Kong, 28 August 2025

As at the date of this announcement, the Board comprises Mr. Qu Jiguang, Mr. Su Xuejun, Mr. Meng Guo, Mr. Chow Hing Yeung and Ms. Qu Wanrong as executive Directors, Mr. Liu Wenjun as non-executive Director and Mr. Wang Yibing, Mr. Chow Kwok Wai and Mr. Jiang Guangce as independent non-executive Directors.