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 2026

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 2026 (the "first half of the year").

I. RESULTS AND DIVIDEND

In the first half of 2026, the global and domestic macroeconomic environment remained complex and ever-changing, while the domestic pharmaceutical industry entered a new phase of deep transformation and high-quality development. Centralised procurement and healthcare insurance policies continued to drive the reshaping of industry value, presenting both opportunities and challenges. Terminal healthcare demand steadily recovered, and the prices of major products gradually stabilized. The Group closely followed the prevailing trends of industrial transformation, firmly built confidence and overcame difficulties, continuously reinforced the innovation-driven development strategy, accelerated the optimisation of product mix, consolidated and expanded market share both domestically and internationally, strengthened its operating fundamentals, and seized structural opportunities in the industry through its own development, actively responding to changes in the external and industry environment.

During the first half of the year, the Group achieved a revenue of approximately RMB2,075 million, representing an increase of approximately 5.0% compared to the corresponding period of last year. In terms of Hong Kong dollars, the Group's revenue for the first half of the year was approximately HK$2,361 million, representing an increase of approximately 9.9% compared to the corresponding period of last year, and achieved a net profit attributable to equity shareholders of the Company of approximately HK$320 million, representing an increase of approximately 13.0% compared to the corresponding period of last year. The Board resolved to pay an interim dividend of HK$0.055 per share on 24 September 2026 to the shareholders whose names appear on the register of members of the Company on 11 September 2026, representing an increase of 10% compared to the corresponding period of last year.

II. BUSINESS REVIEW

(1) Sales of Products

	For the six months ended 30 June				
	2026		2025		
	Revenue	**Percentage of revenue**	Revenue	Percentage of revenue	Increase/ (Decrease)
	HK$'000	***%***	*HK$'000*	*%*	*%*
Intravenous infusion solution and others	**2,242,354**	**95.0**	2,045,983	95.3	9.6
(Including: Non-PVC soft bag & upright soft bag infusion solution	**1,103,938**	**46.8**	840,192	39.2	31.4
PP plastic bottle infusion solution	**292,686**	**12.4**	268,317	12.5	9.1
Glass bottle infusion solution	**90,067**	**3.8**	90,819	4.2	(0.8)
Ampoule injection	**162,882**	**6.9**	157,381	7.3	3.5
Bulk pharmaceuticals	**394,557**	**16.7**	360,543	16.8	9.4
Oral preparations	**164,858**	**7.0**	295,732	13.8	(44.3)
Others)	**33,366**	**1.4**	32,999	1.5	1.1
Medical materials and related products	**118,226**	**5.0**	101,205	4.7	16.8
Total	**2,360,580**	**100.0**	2,147,188	100.0	9.9

The Group actively participated in national and local centralised procurement, and made every effort to promote the market access and rapid volume growth of new products and advantageous products, steadily expanding market coverage share. In the first half of the year, the Group participated in local procurement projects at or above the municipal level 407 times. Up to now, a total of 269 product specifications have been selected under the volume-based centralised procurement. In the procurement renewal after the expiration of the National Centralised Procurement agreements, 55 product specifications, including Metronidazole Tablets, Dexmedetomidine Hydrochloride Injection, and Ipratropium Bromide Solution for Inhalation, won the bid. In the Shandong provincial pharmaceutical centralised volume-based procurement, 5 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 8 products gained access in over 20 provinces each, and 6 products gained access 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, the Group actively seized market opportunities, stepped up market development efforts, and its operating results steadily emerged. In the first half of the year, the production and sales volume of infusion solutions achieved counter-trend growth, with sales volume reaching approximately 868 million bottles/(bags), representing an increase of 21.4% compared to the corresponding period of last year; and revenue reached HK$1.487 billion, representing an increase of 24.0% compared to the corresponding period of last year. While strengthening the connection between production and sales, accelerating digital transformation, and strictly implementing cost reduction and efficiency enhancement, the Group actively constructed a product portfolio guided by terminal market value, continuously optimized market layout and segmentation strategies, and focused on increasing the sales proportion of advantageous varieties such as therapeutic infusion solutions, large-specification products and peritoneal dialysis solutions, thereby continuously solidifying the market foundation for the infusion solutions business and maintaining a stable overall supply-demand landscape. Through increased market development efforts, sales of Mannitol Injection reached 19.75 million bottles/bags, representing an increase of 19% compared to the corresponding period of last year; sales of Moxifloxacin Hydrochloride and Sodium Chloride Injection reached 6.17 million bags, representing an increase of 23% compared to the corresponding period of last year; sales of peritoneal dialysis solutions reached 5.31 million bags, representing an increase of 121% compared to the corresponding period of last year; and sales of Levofloxacin and Sodium Chloride Injection reached 5.24 million bags, representing an increase of 17% 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 178.81 million pieces, representing an increase of 0.4% compared to the corresponding period of last year; and revenue reached HK$163 million, representing an increase of 3.5% compared to the corresponding period of last year. Although sales of ampoule injections were below expectation, products selected in the National Centralised Procurement maintained a relatively significant competitive edge. Among which, sales of Lidocaine Hydrochloride Injection reached 2.57 million pieces, representing an increase of 99% compared to the corresponding period of last year; sales of Ornidazole Injection reached 2.39 million pieces, representing an increase of 64% compared to the corresponding period of last year; sales of Betahistine Hydrochloride Injection reached 13.34 million pieces, representing an increase of 19% compared to the corresponding period of last year; sales of Ipratropium Bromide Solution for Inhalation reached 12.44 million pieces, representing an increase of 28% compared to the corresponding period of last year.

In terms of oral preparations business, the Group's reserve of generic drugs that have passed consistency evaluations continued to enrich and steadily expanded market share. During the first half of the year, due to the overall low prevalence of respiratory tract infections, some seasonal antiviral drugs experienced channel inventory digestion, resulting in industry cyclical fluctuations. The revenue of oral preparations reached HK$165 million, representing a decrease of 44% compared to the corresponding period of last year. However, the performance of this sector showed structural divergence. Certain advantageous varieties still achieved steady growth in sales volume by virtue of stable market competitiveness, and the overall fundamentals of oral chemical preparations remained solid. Among them, Rosuvastatin Calcium Tablets achieved sales of 171.01 million tablets, representing an increase of 14% compared to the corresponding period of last year; Valsartan and Amlodipine Besilate Tablets (I) achieved sales of 61.11 million tablets, representing an increase of 69% compared to the corresponding period of last year; and Nifedipine Sustained-release Tablets (II) achieved sales of 27.32 million tablets, representing an increase of 86% compared to the corresponding period of last year.

In terms of bulk pharmaceuticals business, facing adverse factors such as weak market demand and changes in domestic and international tariff policies, the Group strengthened cooperation with major clients and high-end clients of both international and domestic, and profoundly explored market potential by increasing efforts in product overseas registration and international certifications. In the first half of the year, bulk pharmaceuticals reached revenue of HK$395 million, representing an increase of 9.4% compared to the corresponding period of last year.

In terms of export business of preparations, the Group continued to accelerate its pace of "going out", achieving a stable and upward trend in its existing foreign trade of preparations. Total export sales of preparations amounted to approximately HK$123.58 million, representing an increase of approximately 13% compared to the corresponding period of last year. Among these, export of infusion solutions reached approximately 91.51 million bottles/(bags), representing an increase of 24% compared to the corresponding period of last year; export of ampoule injections reached 6.66 million pieces, representing an increase of 32% compared to the corresponding period of last year; and export of oral preparations reached 16.27 million tablets, representing an increase of 79% compared to the corresponding period of last year. In the first half of the year, the Group successfully obtained 19 product registration certificates in 11 countries including the Philippines, Peru, Tajikistan, Kyrgyzstan, Cambodia, Uzbekistan, and Mongolia, involving 18 product specifications. At present, a total of 55 products with 117 specifications have been exported to 106 countries and regions worldwide, and the level of international operation of preparations has been continuously 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$118 million, representing an increase of 17% 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, gaskets, and multi-layer co-extrusion films, thereby enhancing the penetration capability in domestic and international markets. Soft tube products and the specialized 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 adhered to the integrated development direction of "bulk pharmaceuticals + preparations", and focused on promoting the construction of the innovation system and the layout of the product portfolio, with specialized chemical preparations and bulk pharmaceuticals as main body, high-end medical materials and specialized biotech products as extensions, and innovative drugs as new growth drivers. In the first half of the year, the Group obtained a total of 56 national drug registration approvals, of which 13 products ranked among the first three in China. These included 48 specifications for preparations and bulk pharmaceuticals new products (37 for new preparation products and 11 for bulk pharmaceuticals) and 8 specifications for supplemental applications. As of 30 June 2026, products of a total of 189 types with 253 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 24 types with 24 specifications, including 17 types with 17 specifications for preparations, and 7 types for bulk pharmaceuticals.

In terms of the development of specialized generic drugs, among the 37 approved preparations specifications, 23 were injections and 14 were oral preparations. Among them, Doxapram Hydrochloride Injection, Fat-soluble Vitamins Injection (I), Fat-soluble Vitamins Injection (II), and Sodium Lactate Ringer's Irrigation were the first approved in China, while Drotaverine Hydrochloride Tablets and Metoclopramide Tablets were the second approved in China. Doxapram Hydrochloride Injection is used for respiratory failure, and the first approval of this product further enriches the Group's product pipeline in ICU and anesthesiology departments, enhancing competitiveness in specialized fields. Fat-soluble Vitamins Injection (I) (suitable for children and infants under 11 years of age) and (II) (suitable for children over 11 years of age and adults), as a parenteral supplement to intravenous nutrition to meet daily requirements of patients in different age groups for fat-soluble vitamins A, D_2, E, and K_1; and Sodium Lactate Ringer's Irrigation is suitable for general irrigation where sterile electrolyte solutions are permitted. Drotaverine Hydrochloride Tablets, as the second approved product in China, are used for the treatment of smooth muscle spasms related to biliary tract diseases; and Metoclopramide Tablets are used for the symptomatic treatment of nausea and vomiting caused by various etiologies, further enriching the two series of product lines and providing more diversified medication options for clinical practice.

In terms of the development of bulk pharmaceuticals, adhered to the integrated development strategy of "bulk pharmaceuticals + preparations", the Group achieved positive results in strengthening cost control and supply chain security. In the first half of the year, the Group obtained approvals for 11 specialized bulk pharmaceuticals, including Phloroglucinol Trimethyl Ether, Bumetanide, Calcium Chloride, Upadacitinib, Furosemide, Safinamide Mesylate, Azilsartan Medoxomil Potassium, Dobutamine Hydrochloride, Propranolol Hydrochloride, Metoclopramide Hydrochloride, and Metoclopramide, yielding fruitful results and further enhancing their competitiveness in both domestic and international markets. As of the end of June 2026, the Group owned 102 types of commodity and specialized bulk pharmaceuticals.

In terms of the development of complex formulation drugs, the Group has successively established platforms such as therapeutic emulsion technology, inclusion compound technology, microcrystalline inhalation preparation technology, liposome technology, and microcrystalline suspension injection delivery technology. Currently, Propofol Medium and Long Chain Fat Emulsion Injection, Etomidate Medium and Long Chain Fat Emulsion Injection, and Water-soluble Progesterone Injection have achieved mass production; Fat-soluble Vitamins Injection (I) and (II) have been approved; Letermovir Injection and Vitamin K_1 Injection have completed the verification of manufacturing process information and standards; Budesonide Suspension for Inhalation is under review and approval; Propofol Injectable Emulsion and Beclometasone Dipropionate Microcrystalline Suspension for Inhalation have completed pilot-scale verification; and Amphotericin B Liposome for Injection, Tobramycin and Dexamethasone Microcrystalline Suspension Eye Drops, and multiple microcrystalline sustained-release injections are currently in the research stage. With the continuous optimisation of the research and development field and the continuous improvement of the product chain, the Group's influence in the complex formulation product market has been further enhanced.

In terms of research and development of innovative drugs, during the first half of the year, the Group achieved a series of breakthrough advancements: the SYN045 Tablet has completed single-dose and multiple-dose dose-escalation studies in healthy human subjects with a favourable safety profile, and is now planned to initiate a Phase Ib study to explore efficacy in patients; the CX24005 project has completed multiple series of compound screening, and the independently designed candidate compounds are significantly superior to the control drug in terms of anti-epileptic efficacy and bioavailability, currently entering the toxicity optimisation stage; the CX25001 project is undergoing PCC validation, and the resulting candidate compounds exhibit a low effective dose for in vivo analgesia, with long-lasting action, and safety comparable to the control drug; it is expected to comprehensively commence IND application research studies in September 2026; the CX25004 project continues to advance the synthesis and screening of series of compounds, and potential compounds with favourable cell functional activity have been screened out, and pharmacokinetic optimisation is currently underway.

In terms of the development of medical materials, the Group continued to promote product innovation to meet the market demand for high-end, specialized application scenarios and new functional medical materials. Since the beginning of this year, the Group has focused on promoting pre-filled and pen-injector pistons, as well as coated and laminated rubber stoppers, and has also tackled products such as specialized films and matching accessories for large-specification products in fields such as peritoneal dialysis and hemofiltration, as well as specialized films for sodium bicarbonate, so as to further enrich the product lines and promote the transformation and upgrading of its medical material business.

In terms of effort on intellectual property, in the first half of the year, the Group applied for 16 patents including 12 invention patents, and was authorised 16 patents including 4 invention patents. As of the end of June 2026, the Group has cumulatively been authorised a total of 391 patents including 195 invention patents, of which 189 are domestic invention patents and 6 are international invention patents.

(3) Development of Infrastructure Projects

The Group accelerates the efficiency of new product industrialisation 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 HVAC purification and pipeline installation for the sterile lyophilized powder injection production line in the High-tech Zone were completed in June 2026, and equipment commissioning commenced in July; the design for the high-end preparation hormone production line has been initiated; the construction drawing design for the sterile powder production line in the Development Zone has been completed; and the cephalosporin antibiotic product inspection center in the Development Zone is expected to be completed and put into use in mid-September.

III. PROSPECTS FOR DEVELOPMENT

Looking ahead to the second half of 2026, the Group will focus its strengthening operations and stabilising expectations, and continue to promote the deep integration of the innovation chain, product chain, supply chain and value chain. With a focus on stabilising the market, operations and growth, the Group aims to consolidate its internal growth drivers and strive to deliver steady operating performance, thereby rewarding our investors and all staff of the Group.

(1) On the preparations business, the Group will closely track changes in the market landscape, dynamically and precisely adjust marketing strategies to proactively adapt to the new situation of industry transformation, and continuously improve market response efficiency. With a focus on advancing market access, the Group will strengthen regional precision management and the selection of high-quality distributors, and accelerate the development and volume growth of large-specification infusions, ampoule injections, and oral preparations in key regions and terminal markets. The Group will continue to properly manage the continued operations of centralised procurement varieties, consolidate the effectiveness of volume growth for the winning products of the eleventh round of National Centralised Procurement, actively participate in the bidding of the twelfth round of National Centralised Procurement, for which all 16 product specifications across 13 varieties it submitted for bidding have been successfully selected as proposed winning bids. The Group will seize the opportunities of provincial and inter-provincial alliance centralised procurement, and maintain a steady success rate in bidding and renewal levels. The Group will consolidate its advantages in exports of infusion solutions and expand overseas markets for oral and lyophilized preparations. Meanwhile, the Group will strengthen compliance management, and prevent and resolve risks. It will accelerate the overseas registration and certification progress of preparations, with a particular focus on following up on projects such as EU CE certification and World Health Organization Prequalification (WHO-PQ).

(2) On the bulk pharmaceuticals business, the Group will focus on process upgrading, quality improvement, and energy consumption reduction for core varieties to build dual barriers of cost and quality; deeply cultivate the European, American, and Southeast Asian markets, actively explore emerging overseas markets, optimize customer structure and export channels, and enhance foreign trade stability. We will advance the progress of high-end certification projects such as the CEP established by the European Directorate for the Quality of Medicines and the one by U.S. Food and Drug Administration (FDA) for bulk pharmaceuticals. We will accelerate the industrialisation of high-value-added new products, optimise the product echelon, and strive to build differentiated competitive advantages. Relying on the advantages of industrial synergy, the Group will strengthen the guaranteed supply and stable pricing of internal preparation raw materials, deepen the linkage of the upstream and downstream industrial chains, and effectively hedge against external market fluctuations. The Group will closely monitor domestic and international policy changes, market prices, and supply-demand trends, strengthen market forecasting and risk control, and steadily enhance the profitability and market competitiveness of the bulk pharmaceuticals segment.

(3) Regarding the research and development innovation, the Group will give full play to the role of the innovation consortium, consolidate existing advantages, accelerate the progress of new product research and development, and continuously enhance overall research and development capabilities. Focusing on high-value-added tracks such as innovative drugs, new improved drugs, and complex preparations, the Group will concentrate resources to tackle key projects, striving to achieve substantial breakthroughs in key technologies and product research and development. The Group will continue to clear the industrialisation conversion chain of research and development results, strengthen the integration and connection among research, production, and marketing, accelerate the landing of high-quality new products to empower the market, continuously optimize the product structure, and enhance the market value of core products. In the second half of the year, it is planned to submit applications for market launch approval for 14 types with 16 specifications of products, including 11 types with 13 specifications for preparations, and 3 for bulk pharmaceuticals; and it is expected to obtain approvals for 55 types with 58 specifications, covering 40 types with 43 specifications for preparations, and 15 for bulk pharmaceuticals.

(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", 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 momentum for sustainable development of the Group.

The Group will adhere to innovation-driven development and value leadership, rely on the profound accumulation in scale, quality, management and brand, continuously stimulate innovative momentum, accelerate the cultivation of new quality productivity supported by the integration of "bulk pharmaceuticals + preparations" and high-value-added product matrices, and promote the high-quality development of the enterprise. We firmly believe that, against the backdrop of industrial policy continuously tilting towards innovation and the gradual recovery of industry prosperity, the Group will create long-term value for investors with a more solid pace, demonstrating resilience and growth potential across the cycles.

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2026 (unaudited)
(Expressed in Hong Kong dollars)

		Six months ended 30 June	
		2026	2025
	Note	***HK$'000***	*HK$'000*
Revenue	*3*	**2,360,580**	2,147,188
Cost of sales		**(1,388,165)**	(1,256,837)
Gross profit		**972,415**	890,351
Other net income		**55,825**	99,462
Selling and distribution costs		**(335,417)**	(353,360)
General and administrative expenses		**(142,257)**	(130,824)
Research and development costs		**(96,965)**	(136,257)
(Impairment losses)/reversal of impairment losses on trade, bills and other receivables		**(8,305)**	1,485
Profit from operations		**445,296**	370,857
Finance income		**8,626**	20,113
Finance costs		**(78,015)**	(54,842)
Finance costs – net	*4*	**(69,389)**	(34,729)
Share of profit of an associate		**11,524**	12,978
Profit before taxation	*4*	**387,431**	349,106
Income tax	*5*	**(60,837)**	(58,909)
Profit for the period		**326,594**	290,197
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		**334,333**	118,162
Other comprehensive income for the period		**334,333**	118,162
Total comprehensive income for the period		**660,927**	408,359

	Note	Six months ended 30 June	
		2026	2025
		HK$'000	*HK$'000*
Profit attributable to:			
Equity shareholders of the Company		**320,324**	283,508
Non-controlling interests		**6,270**	6,689
Profit for the period		**326,594**	290,197
Total comprehensive income attributable to:			
Equity shareholders of the Company		**641,875**	396,734
Non-controlling interests		**19,052**	11,625
Total comprehensive income for the period		**660,927**	408,359
Earnings per share	*6*		
Basic		**HK$0.1107**	HK$0.0962
Diluted		**HK$0.1107**	HK$0.0962

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2026 (unaudited)

(Expressed in Hong Kong dollars)

	Note	At 30 June 2026		At 31 December 2025	
		HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Non-current assets					
Property, plant and equipment			**5,886,830**		5,652,304
Right-of-use assets			**418,138**		403,378
Intangible assets			**1,439,915**		1,371,781
Interest in an associate			**389,270**		367,210
Deferred tax assets			**67,160**		62,536
Pledged bank deposits and time deposits			**432**		415
			8,201,745		7,857,624
Current assets					
Inventories		**1,240,380**		1,201,564	
Trade and bills receivables	*7*	**1,811,254**		1,700,219	
Prepayments, deposits and other receivables		**238,519**		237,091	
Trading securities		**34,913**		46,366	
Pledged bank deposits and time deposits		**82,753**		79,672	
Cash and cash equivalents		**1,855,702**		1,690,577	
		5,263,521		4,955,489	
Current liabilities					
Borrowings		**1,855,970**		1,767,080	
Trade and bills payables	*8*	**368,109**		281,748	
Contract liabilities		**81,863**		81,152	
Lease liabilities		**2,543**		2,390	
Accruals and other payables		**492,363**		483,187	
Income tax payable		**8,102**		3,006	
		2,808,950		2,618,563	
Net current assets			**2,454,571**		2,336,926
Total assets less current liabilities			**10,656,316**		10,194,550

	Note	At 30 June 2026		At 31 December 2025	
		HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Non-current liabilities					
Borrowings		**2,185,507**		2,243,720	
Lease liabilities		**4,947**		1,476	
Deferred tax liabilities		**13,322**		12,498	
Deferred revenue		**316,453**		316,193	
			2,520,229		2,573,887
NET ASSETS			**8,136,087**		7,620,663
CAPITAL AND RESERVES	*9*				
Share capital			**65,829**		65,829
Reserves			**7,735,256**		7,235,099
Total equity attributable to equity shareholders of the Company			**7,801,085**		7,300,928
Non-controlling interests			**335,002**		319,735
TOTAL EQUITY			**8,136,087**		7,620,663

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 26 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 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 judgements, 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.

This 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 2025 annual financial statements. The condensed consolidated interim financial statements and the accompanying notes do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

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 2025 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 2025 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 27 March 2026.

2 Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. Of these, only the amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments*, are relevant to the Group's financial statements.

The amendments do not have a material impact on this interim report.

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	
	2026	2025
	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	**2,224,075**	2,025,207
– Sales of medical materials	**115,303**	97,732
– Services income	**8,079**	10,968
– Sales of raw materials and by-products	**13,099**	13,281
	2,360,556	2,147,188
Revenue from other source		
– Rental income	**24**	–
	2,360,580	2,147,188
Disaggregated by geographical location of customers		
– The PRC (place of domicile)	**1,946,981**	1,819,952
– Other countries	**413,599**	327,236
	2,360,580	2,147,188

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 about reportable segments as provided to the Group's most senior executive management for resource allocation and performance assessment for the period are set out below:

	Six months ended 30 June 2026			
	Intravenous infusion solution and others	**Medical materials and related products**	**Unallocated**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Disaggregated by timing of revenue recognition				
Point in time	**2,241,668**	**118,202**	**–**	**2,359,870**
Over time	**686**	**24**	**–**	**710**
Revenue from external customers	**2,242,354**	**118,226**	**–**	**2,360,580**
Inter-segment revenue	**–**	**109,352**	**–**	**109,352**
Reportable segment revenue	**2,242,354**	**227,578**	**–**	**2,469,932**
Operating profit or loss/segment results	**441,554**	**13,172**	**(9,430)**	**445,296**
Finance income	**8,327**	**90**	**209**	**8,626**
Finance costs	**(58,049)**	**(15)**	**(19,951)**	**(78,015)**
Share of profit of an associate	**11,524**	**–**	**–**	**11,524**
Profit/(loss) before income tax	**403,356**	**13,247**	**(29,172)**	**387,431**
Income tax	**(56,371)**	**(4,466)**	**–**	**(60,837)**
Reportable segment profit/(loss) for the period	**346,985**	**8,781**	**(29,172)**	**326,594**

	Six months ended 30 June 2025			
	Intravenous infusion solution and others	Medical materials and related products	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'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

	At 30 June 2026			
	Intravenous infusion solution and others	**Medical materials and related products**	**Unallocated**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Reportable segment assets	**12,731,895**	**621,280**	**112,091**	**13,465,266**
Reportable segment liabilities	**4,024,833**	**53,497**	**1,250,849**	**5,329,179**

	At 31 December 2025			
	Intravenous infusion solution and others	Medical materials and related products	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Reportable segment assets	12,150,929	598,716	63,468	12,813,113
Reportable segment liabilities	3,919,370	59,471	1,213,609	5,192,450

4 Profit before taxation

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

(a) Finance income and costs

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Finance income:		
– Interest income on bank deposits	**(8,626)**	(13,416)
– Net foreign exchange gain	**–**	(6,697)
Finance income	**(8,626)**	(20,113)
Finance costs:		
– Interest expense of borrowings	**51,940**	54,776
– Interest on lease liabilities	**23**	66
– Net foreign exchange loss	**26,052**	–
Finance costs	**78,015**	54,842
Finance costs – net	**69,389**	34,729

(b) Staff costs

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Contributions to defined contribution retirement plan	**32,831**	31,747
Salaries, wages and other benefits	**301,519**	296,957
	334,350	328,704

(c) Other items

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Research and development costs	**169,418**	212,757
Less: costs capitalised into intangible assets	**(72,453)**	(76,500)
	96,965	136,257
Cost of inventories[#]	**1,371,955**	1,249,934
Government grants	**(37,097)**	(77,526)
Depreciation charges		
– owned property, plant and equipment	**171,426**	186,039
– right-of-use assets	**5,230**	4,719
Amortisation of intangible assets	**52,420**	39,837
Gain on disposal of property, plant and equipment	**(830)**	(40)
Net unrealised gain on trading securities	**(2,750)**	(6,348)
Impairment loss on		
– other intangible assets	**11,212**	15,647
– property, plant and equipment	**3,681**	–

[#] Cost of inventories includes HK$331,986,000 (six months ended 30 June 2025: HK$324,425,000) 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	
	2026	2025
	HK$'000	*HK$'000*
Current tax – PRC corporate income tax ("CIT")	**62,667**	67,088
Deferred taxation	**(1,830)**	(8,179)
	60,837	58,909

Shijiazhuang No. 4 Pharmaceutical Co., Ltd., Jiangsu Best New Medical Material Co., Ltd., Hebei Guangxiang Pharmaceutical Co., Ltd. and Hebei Guolong Pharmaceutical Co., Ltd. have been certified as High and New Technology Enterprises ("HNTE") in 2024, 2023, 2023 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 2026, temporary differences relating to the undistributed profits of subsidiaries in the PRC amounted to HK$7,083,595,000 (31 December 2025: HK$7,061,042,000). Deferred tax liabilities of HK$354,180,000 (31 December 2025: HK$352,052,000) 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$320,324,000 for the six months ended 30 June 2026 (six months ended 30 June 2025: HK$283,508,000) and the weighted average number of 2,893,862,000 ordinary shares (six months ended 30 June 2025: 2,947,778,000 ordinary shares) during the interim period.

(b) Diluted earnings per share

There were no dilutive potential ordinary shares outstanding for the six months ended 30 June 2026 and 2025. Hence, the diluted earnings per share were the same as basic earnings per share.

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 2026	31 December 2025
	HK$'000	*HK$'000*
Within 1 year	**1,810,866**	1,701,720
1 to 2 years	**24,299**	13,391
More than 2 years	**360**	346
Less: Loss allowance	**(24,271)**	(15,238)
	1,811,254	1,700,219

As at 30 June 2026, bills receivable of HK$137 million (31 December 2025: HK$60 million) 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 2026, 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. 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. Accordingly, it has derecognised the full carrying amount of the derecognised bills and the associated trade payables. As at 30 June 2026, 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$671 million (31 December 2025: approximately HK$576 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 2026	31 December 2025
	HK$'000	*HK$'000*
Within 3 months	**283,154**	220,930
4 to 6 months	**40,774**	38,809
7 to 12 months	**34,633**	18,621
More than 1 year	**9,548**	3,388
	368,109	281,748

9 Capital, reserves and dividends

(a) Dividends

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Interim dividend declared after the interim period, of HK5.5 cents per share (30 June 2025: HK5.0 cents per share)	**159,029**	146,726

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 2025 was subsequently paid in September 2025.

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of HK3.0 cents per share (30 June 2025: HK9.5 cents per share)	**86,842**	280,356

(b) Purchase and cancellation of own shares

During the six months ended 30 June 2026, the Company repurchased a total of 13,470,000 ordinary shares of the Company through the Stock Exchange at an aggregate consideration of approximately HK$35,326,000, and were treated as treasury shares as at 30 June 2026. The consideration paid on such repurchase of HK$35,326,000 was charged to capital reserve for the six months ended 30 June 2026. As at 30 June 2026, the Company held 59,670,000 shares as treasury 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.

(c) Share option scheme

No share options were granted and exercised during the six months ended 30 June 2026 and 2025. As at 30 June 2026, no share options were outstanding and exercisable. As at 31 December 2025, the total number of share options outstanding and exercisable was 100,000,000. On 12 January 2026, 100,000,000 share options granted to employees lapsed without exercise.

(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 2026, the Trust acquired 8,980,000 shares (six months ended 30 June 2025: nil) from the market at an average prevailing market price of approximately HK$2.218 per share at an aggregate consideration of approximately HK$19,916,000. 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 2026 and 2025.

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 2026, 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 ("IV") 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"). In terms of Hong Kong dollars (HK$), revenue of the Group increased by 9.9% from HK$2,147,188,000 in corresponding period of last year to HK$2,360,580,000 mainly due to a recovery growth of the Group's IV solution business.

There was an overall volume growth of 21.4% in IV solution for the six months ended 30 June 2026 as compared with corresponding period of last year. Furthermore, the average selling price of IV solution has a slight growth of 2.1% in terms of HK$ as compared with corresponding period of last year. As a result, for the six months ended 30 June 2026, total revenue from IV solution accounted for HK$1,486,691,000 (30 June 2025: HK$1,199,328,000), representing an increase of 24.0% as compared with corresponding period of last year. Among which, revenue from Non-PVC Soft Bag and Upright Soft Bag Infusion Solution were HK$709,544,000 and HK$394,394,000 respectively, totalling HK$1,103,938,000, representing a significant growth of 31.4% as compared with corresponding period of last year and accounted for 74.3% of the total revenue from IV solution; revenue from PP Plastic Bottle Infusion Solution was HK$292,686,000, representing an increase of 9.1% as compared with corresponding period of last year and accounted for 19.7% of the total revenue from IV solution; revenue from Glass Bottle Infusion Solution was HK$90,067,000 representing a slight decrease of 0.8% as compared with corresponding period of last year and accounted for 6.0% of the total revenue from IV solution.

During the first half year of 2026, revenue from ampoule injections accounted for HK$162,882,000 (30 June 2025: HK$157,381,000), which increased slightly by 3.5% as compared with corresponding period of last year. Revenue from oral preparations accounted for HK$164,858,000 for the six months ended 30 June 2026 (30 June 2025: HK$295,732,000), representing a drop of 44.3% as compared to corresponding period of last year which was mainly due to periodic fluctuation in market demand particularly of anti-infectives. On the other hand, revenue from bulk pharmaceuticals accounted for HK$394,557,000 for the six months ended 30 June 2026 (30 June 2025: HK$360,543,000), representing a growth of 9.4% as compared with corresponding period of last year mainly due to increase in export sales volume of caffeine and more variety of bulk pharmaceutical products.

During the first half year of 2026, revenue from medical materials products contributed HK$118,226,000 (30 June 2025: HK$101,205,000) to the Group, representing an increase of 16.8% 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 IV 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 2026, the Group's cost of sales increased by 10.4% to HK$1,388,165,000 as compared to the corresponding period last year of HK$1,256,837,000 mainly due to increase in overall sales volumes of IV solutions and bulk pharmaceuticals. The cost of direct materials, direct labour and other costs represented approximately 59.1%, 13.7% and 27.2% of the total cost of sales respectively, while their comparative percentages for the corresponding period of last year were 60.8%, 13.9% and 25.3% respectively.

Gross profit margin

For the six months ended 30 June 2026, the Group recorded a total gross profit of HK$972,415,000 (30 June 2025: HK$890,351,000). As compared with corresponding period of last year, there were a larger proportion of revenue from finished medicines being sold through centralised procurement, but meanwhile they contributed to the reduction of selling and distribution costs. As a result, overall gross profit margin decreased by 0.3 percentage point to 41.2% for the six months ended 30 June 2026 from 41.5% for the corresponding period last year.

Other net income

For the six months ended 30 June 2026, the Group's other net income decreased to approximately HK$55,825,000 (30 June 2025: HK$99,462,000) which mainly represented the decrease in government grants.

Selling and distribution costs

For the six months ended 30 June 2026, selling and distribution costs amounted to approximately HK$335,417,000 (30 June 2025: HK$353,360,000), which mainly consisted of advertising, marketing and promotion expenses of approximately HK$95,310,000 (30 June 2025: HK$142,056,000), transportation cost of approximately HK$121,755,000 (30 June 2025: HK$121,973,000) as well as salary expenses for sales and marketing staff of approximately HK$53,530,000 (30 June 2025: HK$49,614,000).

Selling and distribution costs reduced by 5.1% for the six months ended 30 June 2026 as compared with corresponding period of last year. 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.

General and administrative expenses

For the six months ended 30 June 2026, general and administrative expenses was approximately HK$142,257,000 (30 June 2025: HK$130,824,000) which mainly comprised of salaries expenses for administrative staff of approximately HK$50,461,000 (30 June 2025: HK$54,062,000), depreciation and amortisation expenses of approximately HK$40,056,000 (30 June 2025: HK$32,862,000) as well as utility expenses of approximately HK$9,733,000 (30 June 2025: HK$10,594,000).

There was an increase of 8.7% in general and administrative expenses for the six months ended 30 June 2026 as compared with corresponding period of last year mainly due to increase in depreciation and amortisation expenses of general administrative nature.

Research and development costs

For the six months ended 30 June 2026, research and development ("R&D") costs was approximately HK$96,965,000 (30 June 2025: HK$136,257,000), which comprised salaries expenses for R&D staff of approximately HK$39,584,000 (30 June 2025: HK$50,158,000), depreciation and amortisation expenses of approximately HK$20,278,000 (30 June 2025: HK$27,314,000) as well as other costs (such as raw materials and consumables) directly expensed of approximately HK$37,103,000 (30 June 2025: HK$58,785,000).

R&D costs decreased by 28.8% for the six months ended 30 June 2026 as compared to corresponding period of last year when the Group's R&D activities have been undergoing optimisation process, reflecting in reduction of various costs abovementioned.

Profit from operations

For the six months ended 30 June 2026, the Group's profit from operations amounted to HK$445,296,000, representing an increase of 20.1% as compared to HK$370,857,000 of the corresponding period last year, while the Group's operating profit margin (defined as profit from operations divided by total revenue) was improved to 18.9% as compared to 17.3% of last year mainly driven by cost reductions in selling and distribution as well as in research and development.

Net finance costs

The Group's net finance costs, which represented mainly interest expenses of bank borrowings and foreign exchange loss less interest income on bank deposits, increased by 99.8% to HK$69,389,000 for the six months ended 30 June 2026 (30 June 2025: HK$34,729,000). For the first half of year 2026, the average bank saving rate in the PRC was lower than that of last year, resulting a decrease in interest income. In addition, as Renminbi appreciates during the first half of year 2026, the Group recorded a foreign exchange loss as compared to a foreign exchange gain in 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 2025 and the six months ended 30 June 2026. For the first half of year 2026, the income tax expense increased by 3.3% to HK$60,837,000 (30 June 2025: HK$58,909,000) mainly due to a higher profit before taxation.

Profit attributable to equity shareholders

The profit attributable to equity shareholders of the Company for the six months ended 30 June 2026 increased by 13.0% to HK$320,324,000 (30 June 2025: HK$283,508,000), with net profit margin (defined as profit attributable to equity shareholders of the Company divided by total revenue) increased from 13.2% of the corresponding period last year to 13.6% for the six months ended 30 June 2026.

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 2026, the Group's cash and cash equivalents increased by 9.8% to HK$1,855,702,000 (31 December 2025: HK$1,690,577,000), mostly denominated in RMB.

As at 30 June 2026, the Group's bank borrowings slightly increased by 0.8% to HK$4,041,477,000 (31 December 2025: HK$4,010,800,000), comprising HK$3,307,747,000 (31 December 2025: HK$3,064,944,000) of borrowings denominated in RMB and HK$733,730,000 (31 December 2025: HK$945,856,000) 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 offshore bank borrowings. As at 30 June 2026, 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 21.9% as at 30 June 2026 which was lower than 24.1% as at 31 December 2025 due to decrease in the Group's net debt. Current ratio (defined as current assets divided by current liabilities) remained stable at 1.87 as at 30 June 2026 as compared to 1.89 as at 31 December 2025.

As at 30 June 2026, the Group's total capital commitments outstanding but not provided for was HK$317,762,000 (31 December 2025: HK$342,895,000).

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 2026, the Group had approximately 5,400 employees (approximately 5,700 employees as at 30 June 2025), 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 2026 was approximately HK$334,350,000 (30 June 2025: HK$328,704,000), representing a slight increase of 1.7% as compared with corresponding period of last year.

PLEDGE OF ASSETS

As at 30 June 2026, certain bank deposits of HK$19,216,000 (31 December 2025: HK$21,694,000) were pledged for letters of credit facilities, bank acceptance notes issued by the Group, or the restricted bank deposits.

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 2025	0.92604
30 June 2025	0.91195
1 January 2026	0.90322
30 June 2026	0.86855

MATERIAL ACQUISITIONS AND DISPOSALS

There was no material acquisition or disposal of subsidiaries or associates during the six months ended 30 June 2026.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any significant contingent liabilities.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During six months ended 30 June 2026, the Company acquired an aggregate of 13,470,000 ordinary shares through purchases on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at an aggregate consideration of approximately HK$35,326,000 which details are set out below. All of the above shares were held as treasury shares of the Company as at 30 June 2026 and date of this announcement.

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 2026	5,670,000	3.05	2.89	17,027,000
May 2026	7,800,000	2.39	2.29	18,299,000
Held as treasury shares	**13,470,000**			**35,326,000**

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 26 August 2026, and at all times during the six months ended 30 June 2026.

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 2026.

The Company has also established written guidelines to the Directors, officers and all relevant employees of the Company and its subsidiaries on securities transactions by those who may possess or have access to inside Information of the Company.

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 Board reviews its corporate governance practices from time to time in order to meet the stakeholders' expectations and comply with the latest regulatory requirements, and to fulfill its commitment to a high standard of corporate governance.

The Company has complied with all applicable code provisions (the "Code Provision") of the Corporate Governance Code as set out in Appendix C1 of 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 2026, except for the deviation from Code Provision C.2.1 as follows:

Under Code Provision C.2.1, 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.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

As a pharmaceutical enterprise, the Group recognises 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 2026 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 this 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 2026 as contained in this announcement.

INTERIM DIVIDEND

The Board resolved to pay on 24 September 2026 an interim dividend of HK5.5 cents per share (30 June 2025: HK5 cents per share) amounting to a total of approximately HK$159,029,000 for the six months ended 30 June 2026 (30 June 2025: HK$146,726,000) to the shareholders named in the register of members of the Company on 11 September 2026.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 14 September 2026 to Thursday, 17 September 2026 (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, 11 September 2026.

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, 26 August 2026

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.