石四藥集團有限公司
SSY Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2005)

2026

Interim Report

CORPORATE INFORMATION

STOCK CODE
2005

EXECUTIVE DIRECTORS
Mr. Qu Jiguang *(Chairman)*
Mr. Su Xuejun
Mr. Meng Guo
Mr. Chow Hing Yeung
Ms. Qu Wanrong

Non-executive director
Mr. Liu Wenjun

INDEPENDENT NON-EXECUTIVE DIRECTORS
Mr. Wang Yibing
Mr. Chow Kwok Wai
Mr. Jiang Guangce

COMPANY SECRETARY
Mr. Chow Hing Yeung

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AUTHORISED REPRESENTATIVES
Mr. Meng Guo
Mr. Chow Hing Yeung

AUDIT COMMITTEE
Mr. Chow Kwok Wai *(Chairman)*
Mr. Wang Yibing
Mr. Jiang Guangce

REMUNERATION COMMITTEE
Mr. Jiang Guangce *(Chairman)*
Mr. Wang Yibing
Mr. Chow Kwok Wai

NOMINATION COMMITTEE
Mr. Wang Yibing *(Chairman)*
Mr. Chow Kwok Wai
Mr. Jiang Guangce
Ms. Qu Wanrong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE
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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE
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Services Limited
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PRINCIPAL BANKERS
Agricultural Bank of China
Bank of China
Bank of China (Hong Kong)
Bank of Communications
China CITIC Bank International
China Construction Bank
China Construction Bank (Asia)
Hang Seng Bank
Hongkong and Shanghai Banking
Corporation
Industrial and Commercial Bank of China

LEGAL ADVISER TO THE COMPANY AS TO HONG KONG LAW
DLA Piper Hong Kong

AUDITOR
KPMG
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

WEBSITE
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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

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.

Qu Jiguang
Chairman

Hong Kong, 26 August 2026

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".

Principal risks and uncertainties

As a pharmaceutical enterprise in the PRC, the Group faces certain risks and uncertainties which affect its business operation and performance, some of which are inherent to pharmaceutical industry such as government policies on pharmaceutical enterprises and pharmaceutical products in the PRC.

The Group's sales and profits in finished medicines are affected by the selection results and tender prices of our products in the National Centralised Medicines Procurement (the "National Centralised Procurement") and other forms of drug tenders in the PRC. To address such risk, the Group has a designated team responsible for these drug tenders including the National Centralised Procurement. The Group has also obtained registration approvals for more products which have passed or been regarded as passing the consistency evaluations and thus qualified for these drug tenders including the National Centralised Procurement. On the other hand, the Group has committed in product diversification in recent years by introducing new products in bulk pharmaceuticals and medical materials. The Group will keep continuous attention on the change of the relevant situation and make timely responses.

Save as the abovementioned principal risks and uncertainties, other risks and uncertainties had been evaluated by the Company as set out in the Chairman Statement.

Relationships with stakeholders

The Group believes that employees are valuable assets. The Group provides competitive remuneration package to employees which is periodically reviewed with reference to industry practice. Apart from social insurance and in-house training programmes, other kinds of remuneration such as discretionary bonuses, share options and grant of shares may be awarded to employees according to the assessment of individual performance.

The Group also understands that it is important to maintain good relationship with its suppliers, customers and the PRC's group purchasing organisations ("GPO(s)") to fulfil its immediate and long-term goals. The Group has been working continuously with its suppliers to improve the standard of raw materials, and aiming at delivering products with high quality to its customers. The Group is aware of changing market conditions regarding the drug pricing practice in the PRC and the impact on the stakeholders of the drug supply industry. The Company will continue to strengthen its compliance standards, including but not limited to monitoring and control of its operational practices under its established anti-corruption policies, so as to ensure that the operations of the Group will be guided by the principles of fairness and integrity. The Company will continue to watch out for any further development of the changing market conditions in the PRC, and will take proactive measures to address any possible adverse impacts that the changing market conditions may bring.

For the six months ended 30 June 2026 and up to date of this Interim Report, there was no material and significant dispute between the Group and its suppliers, customers and/or GPOs.

Compliance with laws and regulations

For the six months ended 30 June 2026 and up to date of this Interim Report, the Company was not aware of any non-compliance with any relevant laws and regulations that had a significant impact on it.

Environmental policies and performance

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.

FINANCIAL PERFORMANCE REVIEW

Revenue

	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'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.

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.

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. Please refer to note 12 to the financial statements for details of repayment, security and fulfillment of covenants.

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 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 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**

Save for the purchase of 13,470,000 shares which details are set out above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during six months ended 30 June 2026. The Company has not sold/transferred any treasury shares of the Company during six months ended 30 June 2026. The movement of total number of shares held as treasury shares of the Company is shown as follows:

	Six months ended 30 June 2026	Year ended 31 December 2025
At the beginning of the period/year	**46,200,000**	–
Purchased during the period/year	**13,470,000**	46,200,000
Transferred out/sold during the period/year	**–**	–
At the end of the period/year	**59,670,000**	46,200,000

SHARE SCHEMES

2012 Share Option Scheme

As approved by an ordinary resolution passed by the shareholders at the Extraordinary General Meeting held on 20 September 2012, the Board adopted a share option scheme which, unless otherwise cancelled or amended, was valid and remained in force for a period of 10 years from 20 September 2012 (the "2012 Share Option Scheme"). The 2012 Share Option Scheme has expired on 19 September 2022. No further options can be offered or granted upon the expiration of the 2012 Share Option Scheme. As at 30 June 2026, there is no share options which remains outstanding under the 2012 Share Option Scheme which details are set out in the next paragraph.

On 12 January 2021 (the "Date of Grant"), the Company granted 100,000,000 share options to certain management staff of the Group who were not the Directors of the Company at the Date of Grant pursuant to the 2012 Share Option Scheme, representing approximately 3.285% of the issued share capital as at the date immediately before share options were granted. The closing price of the Shares immediately before the Date of Grant (i.e. 11 January 2021) was HK$4.00 per Share. The exercise price was HK$4.218. The exercisable period was from 12 January 2021 to 11 January 2026. Subsequent to the Date of Grant, two grantees namely Mr. Meng Guo and Mr. Chow Hing Yeung were appointed as executive directors of the Company on 27 August 2021. Up to 12 January 2026, all of the above share options granted under the 2012 Share Option Scheme have not been exercised by the grantees within the exercisable period, and thus have been expired and lapsed during the six months ended 30 June 2026.

The movement of total number of share options granted under the 2012 Share Option Scheme and remaining outstanding is shown as follows:

	Six months ended 30 June 2026	Year ended 31 December 2025
Outstanding at the beginning of the period/year	**100,000,000**	100,000,000
Granted during the period/year	**–**	–
Exercised during the period/year	**–**	–
Lapsed during the period/year	**(100,000,000)**	–
Outstanding and exercisable at the end of the period/year	**–**	100,000,000

The details of share options movements during the six months ended 30 June 2026 are shown as follows:

Directors of the Company

				Number of share options				
Name of Director	Date of grant	Exercise price per share	Exercisable period	Outstanding at 1 Jan 2026	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at 30 June 2026
Mr. Meng Guo	12 Jan 2021	HK$4.218	12 Jan 2021 – 11 Jan 2026	20,000,000	–	–	(20,000,000)	–
Mr. Chow Hing Yeung	12 Jan 2021	HK$4.218	12 Jan 2021 – 11 Jan 2026	2,000,000	–	–	(2,000,000)	–

Employees (not directors of the Company)

Date of grant	Exercise price per share	Exercisable period	Number of share options: Outstanding at 1 Jan 2026	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at 30 June 2026
12 Jan 2021	HK$4.218	12 Jan 2021 – 11 Jan 2026	78,000,000	–	–	(78,000,000)	–

2023 Share Option Scheme

On 28 October 2022, in view of the expiration of the 2012 Share Option Scheme, the Board proposed to adopt a new share option scheme (the "2023 Share Option Scheme") in accordance with Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") effective on 1 January 2023, to grant option(s) subscribe for ordinary share(s) of the Company (the "Share Option(s)") to the Eligible Participants including Employee Participant(s), Related Entity Participant(s) and Service Provider(s), all as defined in the 2023 Share Option Scheme, as incentives or rewards for their contribution or potential contribution to the Group. The 2023 Share Option Scheme was adopted by an ordinary resolution passed by the shareholders at the Extraordinary General Meeting held on 13 January 2023. The 2023 Share Option Scheme is valid and effective for a period of ten (10) years commencing on the Adoption Date (i.e. 13 January 2023), after which period, no further Share Options shall be offered or granted but the provisions of the 2023 Share Option Scheme shall remain in full force and effect in all other respects. Share Options granted during the life of the 2023 Share Option Scheme shall continue to be exercisable in accordance with their terms of grant after the end of the 10-year period.

The basis of eligibility of any of the Eligible Participants to the grant of Share Options shall be determined by the Board from time to time on the basis of the Board's opinion as to his contribution or potential contribution to the development and growth of the Group. The eligibility of any of the Eligible Participants to an Offer shall be determined by the Board from time to time on the basis of the Board's opinion as to the Eligible Participant's contribution to the development and growth of the Group. In assessing whether Share Options are to be granted to any Eligible Participant, the Board shall take into account various factors, including but not limited to, the nature and extent of contributions provided by such Eligible Participant to the Group, the special skills or technical knowledge possessed by them which is beneficial to the continuing development of the Group, the positive impacts which such Eligible Participant has brought to the Group's business and development and whether granting Share Options to such Eligible Participant is an appropriate incentive to motivate such Eligible Participant to continue to contribute towards the betterment of the Group.

Pursuant to the 2023 Share Option Scheme, offer for the grant of Share Options ("Offer") is open for acceptance by the Eligible Participant concerned (and by no other person) for a period of up to 30 days from the date on which the Board resolves to make an Offer of a Share Option to an Eligible Participant (the "Offer Date"), with a remittance in favour of the Company of HK$1.00 by way of consideration for the grant. A grantee is required to hold a Share Option for not less than twelve (12) months from the Offer Date before it can be exercised. The exercise price in respect of any Share Option shall be at the discretion of the Directors, provided that it must be at least the highest of (a) the closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange on the Offer Date; (b) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five (5) Business Days immediately preceding the Offer Date; and (c) the nominal value of the Shares on the Offer Date. The period during which such Share Option can be exercised is determined and notified by the Board to the grantee, save that such period shall not be more than ten (10) years from the Offer Date.

The total number of Shares which may be allotted and issued upon exercise of all Share Options or share options or share awards to be granted under the 2023 Share Option Scheme and any other share option scheme(s) or share award scheme(s) of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date (the "Scheme Limit"). The total number of Shares which may be allotted and issued in respect of all Share Options or share options or share awards to be granted to Service Providers under the 2023 Share Option Scheme and any other share option scheme(s) or share award scheme(s) of the Company must not in aggregate exceed 1% of the total number of Shares in issue as at the Adoption Date (the "Service Provider Sublimit"). The Scheme Limit and the Service Provider Sublimit may be refreshed at any time by obtaining approval of the Shareholders in general meeting after three years from Adoption Date or the date of Shareholders' approval for the last refreshment provided that the total number of Shares which may be issued in respect of all share options and shares awards to be granted under all of the share option scheme(s) or share award scheme(s) of the Company under the Scheme Limit as refreshed must not exceed 10% and the Service Provider Sublimit as refreshed must not exceed 1% of the Shares in issue at the date of the Shareholders' approval of such Scheme Limit.

The total number of Shares issued and which may fall to be issued upon exercise of the Share Options and the share options and share awards granted under the 2023 Share Option Scheme or any other share option scheme(s) or share award scheme(s) of the Company (including both exercised or outstanding Share Options) to each Eligible Participant in any 12-month period shall not exceed 1% of the total number of Shares in issue unless, among other things, it is separately approved by the Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. Each grant of Share Options to a Director, chief executive of the Company or Substantial Shareholder (or any of their respective associates) must be approved by the independent non-executive Directors (excluding independent non-executive Director who is the proposed Grantee of a Share Option). Any grant of Share Options to an independent non-executive Director or a Substantial Shareholder (or any of their respective associates) would result in the Shares issued and to be issued in respect of all share options or share awards granted (excluding any share options or share awards lapsed) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of Share Options shall be subject to approval by the Shareholders in general meeting at which the Grantee, his/her associates and all core connected persons (as defined in the Listing Rules) of the Company shall abstain from voting in favour at such general meeting, and in accordance with the Listing Rules.

Since the adoption of the 2023 Share Option Scheme and as at date of this Interim Report, no share option has been granted under the 2023 Share Option Scheme. As at 30 June 2026, the number of share options available for grant under the scheme mandate is 297,268,338 (31 December 2025: 297,268,338) and the Service Provider Sublimit is 29,726,833 (31 December 2025: 29,726,833).

As at 30 June 2026, the total number of Shares available for issue in respect of share options available for grant under all of the share option scheme(s) of the Company (being the 2023 Share Option Scheme only as the 2012 Share Option Scheme has expired) is 297,268,338 (31 December 2025: 297,268,338), which represented approximately 10.28% (31 December 2025: 10.23%) of the total number of issued shares (excluding treasury shares) of the Company as at 30 June 2026 (being 2,891,443,385) (31 December 2025: 2,904,913,385).

Restricted Share Award Scheme

The Company has adopted the Restricted Share Award Scheme on 27 December 2018, pursuant to which existing shares of the Company (the "Shares") will be purchased by the trustee from the market out of cash contributed by the Group and be held on trust for the participants selected by the Board (the "Selected Participants") until such Shares are vested in the relevant Selected Participants in accordance with the terms of the Restricted Share Award Scheme. The Restricted Share Award Scheme shall terminate upon the expiry of the period of 10 years from 27 December 2018 unless it is early terminated pursuant to this Scheme Rules by board resolution. The purpose and objective of the Restricted Share Award Scheme are to provide the Selected Participants with an opportunity to acquire a proprietary interest in the Company, to encourage and retain such individuals to work with the Company, and to provide additional incentive for them to achieve performance goals. The Selected Participants of the Restricted Share Award Scheme include any individual being an executive director, employee, officer of the Company or any subsidiary.

The Board may, from time to time, at its absolute discretion determine the number of Restricted Shares to be granted and select any participant to be a Selected Participant with such vesting conditions as it may deem appropriate under the Restricted Share Award Scheme. The Board shall pay to the Trustee the sum of the price of the Shares together with all related purchase expenses required for the completion of the purchase of all the Shares to be granted (the "Referable Amount") from the Company's resources as soon as possible. Within 20 business days (or such longer period as the Trustee and the Board may agree from time to time) of receiving the Referable Amount, the Trustee shall apply the same towards the purchase of the Shares on the Stock Exchange. After the Board has determined the number of Shares to be granted and the Selected Participants, it shall notify the trustee and the Selected Participants in writing on the proposed Grant Date. Upon receipt of the notification, the Selected Participants are required to confirm their acceptance by returning to the Board a notice of acceptance duly executed by them within 28 days after the Grant Date. The vesting of the Shares is subject to the Selected Participant remaining at all times after the Grant Date and on the Vesting Date a Participant of the Company or any subsidiary. Subject to the vesting conditions set out in the Restricted Share Award Scheme, any Share held by the Trustee on behalf of a Selected Participant pursuant to the Restricted Share Award Scheme would vest in such Selected Participant in accordance with the vesting schedule as determined by the Board from time to time.

The maximum number of Shares which the trustee may purchase with funds contributed by the Group amounts to 60,280,507 Shares, representing 2% of the Company's issued share capital as at 27 December 2018 and approximately 2.04% (31 December 2025: 2.04%) of the total number of issued shares of the Company as at 30 June 2026 (being 2,951,113,385) (31 December 2025: 2,951,113,385). The maximum number of Shares which may be granted to a Selected Participant at any one time or in aggregate may not exceed 1% of the issued share capital of the Company as at 27 December 2018, and the transactions involved shall be in compliance with the requirements of Chapter 14A of the Listing Rules if they fell under the definition of "connected transactions" in Chapter 14A of the Listing Rules.

During six months ended 30 June 2026, a total of 8,980,000 Shares has been purchased by the Trustee pursuant to the Restricted Share Award Scheme as restricted shares, and no restricted share has been granted to any Selected Participants. Hence, as at 30 June 2026, the number of restricted shares available for grant under the Restricted Share Award Scheme is 12,280,000 Shares (31 December 2025: 3,300,000 Shares), which represented approximately 0.42% (31 December 2025: 0.11%) of the issued shares of the Company as at 30 June 2026 (being 2,951,113,385 Shares) (31 December 2025: 2,951,113,385 Shares). No restricted shares were vested, cancelled or lapsed pursuant to the Restricted Share Award Scheme during six months ended 30 June 2026 and year ended 31 December 2025. The movement of total number of restricted shares is shown as follows:

	Six months ended 30 June 2026	Year ended 31 December 2025
At the beginning of the period/year	**3,300,000**	3,300,000
Purchased by Trustee during the period/year	**8,980,000**	–
Granted during the period/year	**–**	–
Vested/cancelled/lapsed during the period/year	**–**	–
At the end of the period/year	**12,280,000**	3,300,000

Pursuant to the Restricted Share Award Scheme, Restricted Shares will only be comprised of existing Shares to be purchased by the trustee from the market, and no new Shares will be issued to the trustee nor the Selected Participants by the Company.

DIRECTORS

The Directors during the six months ended 30 June 2026 and up to the date of this Interim Report were:

Executive Directors

Mr. Qu Jiguang
Mr. Su Xuejun
Mr. Meng Guo
Mr. Chow Hing Yeung
Ms. Qu Wanrong

Non-executive Director

Mr. Liu Wenjun

Independent Non-executive Directors

Mr. Wang Yibing
Mr. Chow Kwok Wai
Mr. Jiang Guangce

Pursuant to Article 83(3) of the Company's Articles of Association, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, as an addition to the existing Board. Any Director so appointed shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election. Pursuant to Article 84 of the Company's Articles of Association, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any Director appointed pursuant to Article 83(3) of the Company's Articles of Association shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation. The Board has recommended the re-appointment of the Directors for re-election at the forthcoming annual general meeting of the Company with the circular containing the details of retiring Directors to be re-elected.

DIRECTORS' SERVICE CONTRACTS

Each of the Directors has entered into a service contract with the Company for an initial term of 3 years commencing from the appointment date renewable for successive terms of 3 years commencing from the day next after the expiry of the then current term of the appointment.

Save as disclosed above, none of the Directors has entered into a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in note 17 to the financial statements, no transaction, arrangement or contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted as at 30 June 2026 or at any time during the six months ended 30 June 2026.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Pursuant to Rule 8.10 of the Listing Rules, the interest of Directors of the Company in businesses which was likely to compete with the Group during the six months ended 30 June 2026 and as at 30 June 2026 were as follows:

Mr. Liu Wenjun, the non-executive Director, has been the general manager of the Xindu Base of Sichuan Kelun Pharmaceutical Company Limited ("Sichuan Kelun", a substantial shareholder of the Company) since 2013. Sichuan Kelun is engaged in the same industry of manufacturing and selling of intravenous infusion solution as the Group. Although some of the business conducted by Sichuan Kelun are similar to those conducted by the Group, most of them are of different kinds of products and/or at different locations. The Group has been operating independently of, and at the arm's length from, the businesses of Sichuan Kelun. Furthermore, all directors of the Company are reminded of their fiduciary duties to the Group and that they must, in the performance of their duties of directors, avoid actual and potential conflicts of interest and duty. There are three Independent non-executive Directors in the Board to ensure that the interests of the general shareholders are adequately represented. Therefore, the Board is of the view that the interests of the Group and of the shareholders as a whole are properly safeguarded.

Save as disclosed above, as at 30 June 2026 and up to the date of this Interim Report, none of the Directors are considered to be in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SHARES

As at 30 June 2026, the interests of the Directors in the share capital of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix C3 to the Listing Rules once the shares are listed, were as follows:

Name of Director	Capacity	Long/short position	Number of shares and underlying shares held	Approximate percentage of the total number of issued shares of the Company
Mr. Qu Jiguang	Beneficial owner	Long	291,218,000	9.87%
	Interest in a controlled corporation *(Note 1)*	Long	911,604,000	30.89%
	Other *(Note 2)*	Long	59,670,000	2.02%
Mr. Su Xuejun	Beneficial owner	Long	24,416,000	0.83%

Notes:

1. These shares were registered in the name of and beneficially owned by China Pharmaceutical Company Limited ("CPCL"). CPCL is a corporation which Mr. Qu Jiguang controls (i.e. a controlled corporation as defined in Part XV of the SFO) as Mr. Qu Jiguang beneficially holds the majority (i.e. over 50%) of the shares of CPCL. By virtue of Part XV of the SFO, Mr. Qu Jiguang is deemed to be interested in the shares held by CPCL.

2. Mr. Qu Jiguang, through his controlled corporation CPCL and as beneficial owner, controls one-third or more of the voting power at general meeting of the Company. Hence, he is taken to have an interest in 59,670,000 treasury shares of the Company held as treasury shares as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executives of the Company had an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company or the Stock Exchange pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (b) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Save as disclosed under the sections headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SHARES" and "SHARE SCHEMES", at no time during the six months ended 30 June 2026 were rights to acquire benefits by means of the acquisition of shares or debentures of the Company granted to any Directors or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors of the Company to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS IN THE SHARES

As at 30 June 2026, the register of substantial shareholders required to be kept by the Company under section 336 of the SFO shows that the Company had been notified of the following interests, being 5% or more in the issued share capital and underlying shares of the Company.

Name of Shareholder	Capacity	Long/short position	Number of shares and underlying shares held	Approximate percentage of the total number of issued shares of the Company
Mr. Qu Jiguang	Beneficial owner	Long	291,218,000	9.87%
	Interest in a controlled corporation *(Note 1)*	Long	911,604,000	30.89%
	Other *(Note 2)*	Long	59,670,000	2.02%
CPCL *(Note 1)*	Beneficial owner	Long	911,604,000	30.89%
Sichuan Kelun Pharmaceutical Co., Ltd(四川科倫藥業股份有限公司)	Interest in a controlled corporation *(Note 3)*	Long	468,296,000	15.87%
	Beneficial owner	Long	212,390,000	7.20%
Kelun Singapore Pte Ltd. *(Note 3)*	Beneficial owner	Long	468,296,000	15.87%
UBS Group AG	Interest in a controlled corporation	Long	172,625,945	5.85%
	Interest in a controlled corporation	Short	32,758,602	1.11%

Notes:

1. These shares were registered in the name of and beneficially owned by CPCL. CPCL is a corporation which Mr. Qu Jiguang controls (i.e. a controlled corporation as defined in Part XV of the SFO) as Mr. Qu Jiguang beneficially holds the majority (i.e. over 50%) of the shares of CPCL. By virtue of Part XV of the SFO, Mr. Qu Jiguang is deemed to be interested in the shares held by CPCL.

2. Mr. Qu Jiguang, through his controlled corporation CPCL and as beneficial owner, controls one-third or more of the voting power at general meeting of the Company. Hence, he is taken to have an interest in 59,670,000 treasury shares of the Company held as treasury shares as at 30 June 2026.

3. These shares were registered in the name of and beneficially owned by Kelun Singapore Pte Ltd.. Kelun Singapore Pte Ltd. is a wholly-owned corporation of Sichuan Kelun Pharmaceutical Co., Ltd(四川科倫藥業股份有限公司).

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.

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 Interim Report.

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.

On behalf of the Board
Qu Jiguang
Chairman

Hong Kong, 26 August 2026

KPMG

Review report to the board of directors of SSY Group Limited

(Incorporated in Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 43 to 72 which comprises the consolidated statement of financial position of SSY Group Limited (the "Company") as of 30 June 2026 and the related consolidated statement of profit or loss and other comprehensive income, and consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, as issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2026 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

26 August 2026

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	
	Note	**2026** **HK$'000**	2025 HK$'000
Revenue	4	**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	5(a)	**(69,389)**	(34,729)
Share of profit of an associate		**11,524**	12,978
Profit before taxation	5	**387,431**	349,106
Income tax	6	**(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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

		Six months ended 30 June	
	Note	**2026** **HK$'000**	2025 HK$'000
Total comprehensive income for the period		**660,927**	408,359
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	*7*		
Basic		**HK$0.1107**	HK$0.0962
Diluted		**HK$0.1107**	HK$0.0962

The notes on pages 51 to 72 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 14(a).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2026 (unaudited)
(Expressed in Hong Kong dollars)

		At 30 June 2026		At 31 December 2025	
	Note	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*
Non-current assets					
Property, plant and equipment	*8*		**5,886,830**		5,652,304
Right-of-use assets	*8*		**418,138**		403,378
Intangible assets	*8*		**1,439,915**		1,371,781
Interest in an associate	*9*		**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	*10*	**1,240,380**		1,201,564	
Trade and bills receivables	*11*	**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	*12*	**1,855,970**		1,767,080	
Trade and bills payables	*13*	**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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2026 (unaudited) (continued)
(Expressed in Hong Kong dollars)

	Note	**At 30 June 2026**		At 31 December 2025	
		HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Non-current liabilities					
Borrowings	*12*	**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	*14*				
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

Approved and authorised for issue by the board of directors on 26 August 2026.

Qu Jiguang
Director

Su Xuejun
Director

The notes on pages 51 to 72 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2026 (unaudited)

(Expressed in Hong Kong dollars)

	Note	Attributable to equity shareholders of the Company								Non-controlling interests	Total equity
		Share capital	Share premium	Capital reserve	Statutory reserve	Share-based payment reserve	Currency translation differences	Retained earnings	Total		
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1 January 2025		65,966	–	162,047	660,698	67,050	(722,136)	6,986,615	7,220,240	315,410	7,535,650
Changes in equity for the six months ended 30 June 2025:											
Profit for the period		–	–	–	–	–	–	283,508	283,508	6,689	290,197
Other comprehensive income		–	–	–	–	–	113,226	–	113,226	4,936	118,162
Total comprehensive income		–	–	–	–	–	113,226	283,508	396,734	11,625	408,359
Dividends paid to equity shareholders of the Company	*14(a)*	–	–	–	–	–	–	(280,356)	(280,356)	–	(280,356)
Purchase and cancellation of own shares	*14(b)*	(137)	–	(43,363)	–	–	–	(22,696)	(66,196)	–	(66,196)
Balance at 30 June 2025 and 1 July 2025		65,829	–	118,684	660,698	67,050	(608,910)	6,967,071	7,270,422	327,035	7,597,457
Changes in equity for the six months ended 31 December 2025:											
Profit for the period		–	–	–	–	–	–	187,129	187,129	6,135	193,264
Other comprehensive income		–	–	–	–	–	78,353	–	78,353	3,025	81,378
Total comprehensive income		–	–	–	–	–	78,353	187,129	265,482	9,160	274,642
Dividends paid to equity shareholders of the Company	*14(a)*	–	–	–	–	–	–	(146,725)	(146,725)	–	(146,725)
Dividends paid by subsidiaries to non-controlling interests		–	–	–	–	–	–	–	–	(16,460)	(16,460)
Purchase and cancellation of own shares	*14(b)*	–	–	(88,251)	–	–	–	–	(88,251)	–	(88,251)
Appropriation of reserve		–	–	–	64,660	–	–	(64,660)	–	–	–
Balance at 31 December 2025		65,829	–	30,433	725,358	67,050	(530,557)	6,942,815	7,300,928	319,735	7,620,663

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2026 (unaudited) (continued)

(Expressed in Hong Kong dollars)

		Attributable to equity shareholders of the Company									
	Note	Share capital *HK$'000*	Share premium *HK$'000*	Capital reserve *HK$'000*	Statutory reserve *HK$'000*	Share-based payment reserve *HK$'000*	Currency translation differences *HK$'000*	Retained earnings *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total equity *HK$'000*
Balance at 1 January 2026		65,829	–	30,433	725,358	67,050	(530,557)	6,942,815	7,300,928	319,735	7,620,663
Changes in equity for the six months ended 30 June 2026:											
Profit for the period		–	–	–	–	–	–	320,324	320,324	6,270	326,594
Other comprehensive income		–	–	–	–	–	321,551	–	321,551	12,782	334,333
Total comprehensive income		–	–	–	–	–	321,551	320,324	641,875	19,052	660,927
Dividends paid to equity shareholders of the Company	*14(a)*	–	–	–	–	–	–	(86,842)	(86,842)	–	(86,842)
Dividends paid by subsidiaries to non-controlling interests		–	–	–	–	–	–	–	–	(1,568)	(1,568)
Purchase and cancellation of own shares	*14*	–	–	(55,242)	–	–	–	–	(55,242)	–	(55,242)
Acquisition shares of non-controlling interests		–	–	511	–	–	–	–	511	(2,362)	(1,851)
Capital injection to subsidiaries with non-controlling interests		–	–	(145)	–	–	–	–	(145)	145	–
Balance at 30 June 2026		65,829	–	(24,443)	725,358	67,050	(209,006)	7,176,297	7,801,085	335,002	8,136,087

The notes on pages 51 to 72 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

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*
Operating activities			
Cash generated from operations		**650,358**	296,504
Interest paid		**(79,959)**	(58,452)
Income tax paid		**(57,737)**	(74,275)
Net cash generated from operating activities		**512,662**	163,777
Investing activities			
Payment for property, plant and equipment		**(129,249)**	(134,897)
Payment for land use rights		**–**	(1,745)
Payment for intangible assets		**(72,549)**	(78,317)
(Increase)/decrease in time deposits		**(910)**	85,452
Interest received		**9,085**	23,637
Proceeds from sale of trading securities		**21,945**	–
Government grants received related to property, plant and equipment		**11,772**	22,218
Dividend received from an associate		**4,210**	6,655
Acquisition of non-controlling interests of subsidiaries		**(1,850)**	–
Other cash flows arising from investing activities		**96**	1,243
Net cash used in investing activities		**(157,450)**	(75,754)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

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

		Six months ended 30 June	
		2026	2025
	Note	***HK$'000***	*HK$'000*
Financing activities			
Payments for repurchase of own shares of the Company	*14*	**(55,242)**	(66,196)
Capital element of lease rentals paid		**(1,623)**	(1,130)
Interest element of lease rentals paid		**(23)**	(66)
Proceeds from borrowings		**1,319,827**	1,217,759
Repayments of borrowings		**(1,419,834)**	(878,240)
Dividends paid to equity shareholders of the Company	*14(a)*	**(86,842)**	(280,356)
Dividends paid by subsidiaries to non-controlling interests		**(1,568)**	–
Net cash used in financing activities		**(245,305)**	(8,229)
Net increase in cash and cash equivalents		**109,907**	79,794
Cash and cash equivalents at 1 January		**1,690,577**	1,257,702
Effect of foreign exchanges rates changes		**55,218**	940
Cash and cash equivalents at 30 June		**1,855,702**	1,338,436

The notes on pages 51 to 72 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

1 GENERAL INFORMATION

SSY Group Limited (the "Company") and its subsidiaries (together, the "Group") are engaged in the research, development, manufacturing and sales of pharmaceutical products, which includes finished medicines, 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.

The Company is an exempted company with limited liability established under the Companies Law, Cap.22 (Law 3 of 1961, as combined and revised) of Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company's shares have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 20 December 2005.

2 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 3.

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.

2 BASIS OF PREPARATION *(continued)*

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. KPMG's independent review report to the Board of Directors is included on page 41 to 42.

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.

3 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.

4 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.

4 **REVENUE AND SEGMENT REPORTING** *(continued)*

(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 4(b).

4 REVENUE AND SEGMENT REPORTING *(continued)*

(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 *HK$'000*	Medical materials and related products *HK$'000*	Unallocated *HK$'000*	Total *HK$'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

4 REVENUE AND SEGMENT REPORTING *(continued)*

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

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

4 REVENUE AND SEGMENT REPORTING *(continued)*

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

	At 30 June 2026			
	Intravenous infusion solution and others *HK$'000*	**Medical materials and related products** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'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 *HK$'000*	Medical materials and related products *HK$'000*	Unallocated *HK$'000*	Total *HK$'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

5 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

5 **PROFIT BEFORE TAXATION** *(continued)*

(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 5(b) for each of these types of expenses.

6 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.

7 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.

8 RIGHT-OF-USE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(a) Acquisition and disposal of owned assets

During the six months ended 30 June 2026, the Group acquired items of property, plant and equipment, and intangible assets with costs of HK$240,725,000 and HK$78,296,000, respectively (six months ended 30 June 2025: HK$246,690,000 and HK$85,396,000, respectively).

Items of plant and equipment with a carrying amount of HK$8,549,000 were disposed of during the six months ended 30 June 2026 (six months ended 30 June 2025: HK$4,677,000), resulting in a gain on disposal of HK$830,000 (six months ended 30 June 2025: a gain on disposal of HK$40,000) recognised in the reporting period.

During the six months ended 30 June 2026, the Group acquired items of right-of-use assets with costs of HK$5,246,000 (six months ended 30 June 2025: HK$1,745,000).

(b) During the six months ended 30 June 2026, the Group assessed the recoverable amounts of intangible assets related to patents and internally generated capitalised development costs, and as a result impairment losses of HK$11,212,000 (six months ended 30 June 2025: HK$15,647,000) were recognised for intangible assets.

9 INTEREST IN AN ASSOCIATE

	30 June 2026 HK$'000	31 December 2025 HK$'000
Cisen Pharmaceutical Co., Ltd.* ("Cisen") 辰欣藥業股份有限公司	**389,270**	367,210

* The English translation of this entity is for reference only. The official name of the entity established in the PRC are in Chinese.

The above associate is accounted for using the equity method in the consolidated financial statements.

As at 30 June 2026, the following list contains the particulars of the associate, which is a listed corporate entity whose quoted market price is available:

				Proportion of ownership interest			
Name of associate	Form of business structure	Place of incorporation and business	Particulars of issued and paid-up capital	Group's effective interest	Held by the Company	Held by a subsidiary	Principal activity
Cisen Pharmaceutical Co., Ltd. *(Note)*	Incorporated	The PRC	452,754,129 ordinary shares	5.11%	–	5.11%	Production, sales and research and development of pharmaceuticals

Note: Cisen is a company established under the laws of the PRC, the shares of which are listed on the main board of Shanghai Stock Exchange. On 30 June 2026, the quoted market price of Cisen's share was RMB12.83 per share and the market value of the Group's investment in Cisen was approximately RMB297 million (equivalent to approximately HK$342 million).

During the six months ended 30 June 2026, the Group received dividends of HK$4,210,000 (six months ended 30 June 2025: HK$6,655,000) from Cisen.

10 INVENTORIES

Inventories in the consolidated statement of financial position comprise:

	30 June 2026 *HK$'000*	31 December 2025 *HK$'000*
Raw materials	**553,028**	469,674
Work in progress	**37,704**	26,716
Finished goods	**649,648**	705,174
	1,240,380	1,201,564

11 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 *HK$'000*	31 December 2025 *HK$'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.

11 TRADE AND BILLS RECEIVABLES *(continued)*

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).

12 BORROWINGS

As of the end of the reporting period, the Group's bank borrowings were repayable as follows:

	30 June 2026 *HK$'000*	31 December 2025 *HK$'000*
Within 1 year or on demand	**1,855,970**	1,767,080
After 1 year but within 2 years	**1,070,083**	1,693,438
After 2 years but within 5 years	**1,115,424**	550,282
	2,185,507	2,243,720
	4,041,477	4,010,800

As at 30 June 2026, none of the Group's borrowings were secured (31 December 2025: nil).

The Group's drawn down bank facilities of HK$1,846,076,000 (31 December 2025: HK$2,275,420,000) are subject to the fulfilment of covenants relating to certain specific performance requirements on the Group. If the Group were to breach the covenants, drawn down loans would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 30 June 2026, the Group did not breach any covenants relating to drawn down facilities, which would be repaid on demand by the banks.

13 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

14 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.

14 CAPITAL, RESERVES AND DIVIDENDS *(continued)*

(a) Dividends *(continued)*

(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.

14 CAPITAL, RESERVES AND DIVIDENDS *(continued)*

(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.

15 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The three-level fair value hierarchy of financial instruments as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

- Level 3 valuations: Fair value measured using significant unobservable inputs

15 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(continued)*

	Fair value at 30 June 2026	**Fair value measurements as at 30 June 2026**		
		Level 1	**Level 2**	**Level 3**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Recurring fair value measurements				
Financial assets:				
Fair value through profit or loss				
– Trading securities	**34,913**	**34,913**	**–**	**–**
Fair value through other comprehensive income				
– Bills receivable	**136,726**	**–**	**136,726**	**–**

	Fair value at 31 December 2025	Fair value measurements as at 31 December 2025		
		Level 1	Level 2	Level 3
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Recurring fair value measurements				
Financial assets:				
Fair value through profit or loss				
– Trading securities	46,366	46,366	–	–
Fair value through other comprehensive income				
– Bills receivable	60,071	–	60,071	–

During the six months ended 30 June 2026, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2025: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The carrying values of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 June 2026 and 31 December 2025.

16 COMMITMENTS

Capital commitments outstanding not provided for:

	30 June 2026 *HK$'000*	31 December 2025 *HK$'000*
Contracted for	**317,762**	342,895

17 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

	Six months ended 30 June	
	2026 *HK$'000*	2025 *HK$'000*
Salaries and other benefits	**6,247**	6,229

(b) Related party transactions

During the six-month periods ended 30 June 2026 and 30 June 2025, the directors are of the view that the following companies are related parties:

Name of party	*Relationship*
Sichuan Kelun and its subsidiaries (together as "Kelun Group")	*The party whose parent has a significant influence on the Company*
Cisen Pharmaceutical Co., Ltd. ("Cisen")	*Associate of the Group*

17 MATERIAL RELATED PARTY TRANSACTIONS *(continued)*

(b) Related party transactions *(continued)*

Particulars of the Group's transactions with these parties are as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Sales of goods to Kelun Group	**41,758**	30,217
Sales of goods to Cisen	**3,162**	1,836
Purchase of pharmaceutical materials from Kelun Group	**65,971**	89,398
Purchase of pharmaceutical materials from Cisen	**238**	–
Purchase of products manufacturing and transportation services from Kelun Group	**4,842**	18,467
Purchase of research and development services from Kelun Group	**240**	1,481

18 EVENTS AFTER THE REPORTING PERIOD

On 26 August 2026, the board of directors resolved to declare an interim dividend of HK5.5 cents per ordinary share (see note 14(a)).

19 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2026

A number of amendments and new standards are not yet mandatory for annual periods beginning 1 January 2026. Earlier application is permitted; however, the Group has not early adopted any new or amended standards in preparing this interim financial report.

The following updates the information provided in the last annual financial statements about the possible impacts of HKFRS 18 which may have a significant impact on the Group's consolidated financial statements when adopted.

19 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2026 *(continued)*

HKFRS 18, *Presentation and disclosure in financial statements*

HKFRS 18 will replace HKAS 1, Presentation of financial statements, and is first effective for annual reporting periods beginning on or after 1 January 2027.

HKFRS 18 introduces new requirements for presentation and disclosure in financial statements, including new categories and defined subtotals in the statement of profit or loss, enhanced requirements for aggregation and disaggregation of information, and specific disclosures about management-defined performance measures. The Group is assessing the expected impact that the initial application of HKFRS 18 will have on its consolidated financial statements.

The Group expects that the adoption of HKFRS 18 will not change the Group's net assets or net profit. However, it is expected to affect the presentation of the Group's consolidated statement of profit or loss and related note disclosures. Based on the work performed to date, the Group's assessment on the expected impact of the initial application of HKFRS 18 is summarised below. The assessment remains subject to change as the Group continues its implementation work.

(a) Structure of the statement of profit or loss

HKFRS 18 requires entities to classify income and expenses into specified categories in the statement of profit or loss, including operating, investing, and financing categories. It also requires entities to present two newly defined subtotals, which are "operating profit" and "profit or loss before financing and income taxes". The operating profit subtotal is expected to differ from the current profit from operations subtotal presented by the Group. Based on the work performed to date, the Group also expects the following changes to the consolidated statement of profit or loss:

19 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2026 *(continued)*

HKFRS 18, *Presentation and disclosure in financial statements* *(continued)*

(a) Structure of the statement of profit or loss *(continued)*

- Dividend, interest income, and net gains on trading securities, which are currently presented in the Group's other income subtotal, as well as the share of profits less losses of associates and joint venture are expected to be classified in the investing category. The income and expenses classified in the investing category, together with the subtotal "operating profit", will form the new subtotal "profit or loss before financing and income taxes";

- The Group is assessing the classification of income and expenses as currently included in the finance cost line item and expects that this line item will be disaggregated into "income and expenses on liabilities arising solely from raising of finance" and "interest expenses on other liabilities" in the financing category;

- The Group is required to assess the classification of foreign exchange differences in the same category as the income and expenses from the items that gave rise to the differences, unless doing so would involve undue cost or effort; and

- The Group currently presents operating expenses by function. The Group is assessing whether its current presentation, or a mixed presentation by nature and function, will provide the most useful structured summary of its operating expenses under HKFRS 18. If the Group continues to present one or more operating expense line item by function, information about five specific expenses by nature will be provided in a single note to the financial statements.

19 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2026 *(continued)*

HKFRS 18, ***Presentation and disclosure in financial statements*** *(continued)*

(b) Management-defined performance measures ("MPM")

MPMs are subtotals of income and expenses used in public communications outside the financial statements that communicate management's view of an aspect of the financial performance of the entity as a whole to users. Based on the Group's current assessment, "adjusted operating profit", which excludes net valuation gain/loss on investment property, is identified as a MPM since it is currently being reported by the Group in its management commentary, press releases, and investor presentations. The Group is also developing a process to identify its public communications and assess whether other measures reported in those communications meet the definition of an MPM.

The Group will be required to disclose specific information about MPMs in a single note in the financial statements. The MPMs disclosed by the Group following adoption of HKFRS 18 will be determined based on public communications issued by the Group relating to the same reporting period.

(c) Principles of aggregation and disaggregation

HKFRS 18 provides enhanced principles on how to Group information in the financial statements, including the primary financial statements and the notes. It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

The Group has been consistently applied the principles of aggregating and disaggregating the items on the basis of similar and dissimilar characteristics. The Group is also assessing line items currently labelled as "other" across the primary financial statements and the notes and expects to use more informative labels where material information would otherwise be obscured.

HKFRS 18 also introduces consequential amendments to HKAS 7, Statement of cash flows. The Group is assessing the impact of those amendments, including the requirement to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method and the classification of interest and dividend cash flows.

The actual impact of applying HKFRS 18 may change as the Group continues to assess the new requirements and finalises any changes to its reporting processes, controls and accounting policies before the date of initial application.