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石四藥集團有限公司 SSY Group Limited

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

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

CHAIRMAN'S STATEMENT

On behalf of the board of directors (the "Board") of SSY Group Limited (the "Company"), I hereby present the annual results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2025.

I. RESULTS AND DIVIDEND DISTRIBUTION

In 2025, under the multiple pressures of shrinking demand, deepening policy and intensifying competition within the industry, the Group's key economic indicators faced downward pressure unprecedented in recent years and experienced extremely severe challenges. In the face of these difficulties, the Group has turned pressure into motivation, strived for change with an innovative yet pragmatic stance, and done its best to drive the enterprise toward breakthrough and progression.

In 2025, the Group achieved a revenue of approximately Renminbi 3,812 million, representing a decrease of 27.6% as compared to last year. In terms of Hong Kong dollars, the Group's revenue was approximately HK\$4,165 million this year, representing a decrease of 27.8% as compared to last year, with gross profit margin approximately 41.6%, representing a decrease of 8.8 percentage points as compared to last year. The Group achieved a net profit of approximately HK\$471 million, representing a decrease of 55.6% as compared to last year.

The Directors resolved to pay a final dividend of HK\$0.03 per share on 4 June 2026 to the shareholders in the register of members of the Company on 21 May 2026. Total dividend for the year was HK\$0.08 per share, representing a decrease of 54.3% as compared to last year.

II. BUSINESS REVIEW

(1) Sales of Products

For the year ended 31 December 2025, revenue of the Group amounted to approximately HK\$4,165,465,000, representing a decrease of 27.8% as compared to HK\$5,773,251,000 last year. A breakdown of revenue of the Group for the year ended 31 December 2025 is set out as follows:

	2025		2024		Increase/ (Decrease) %
	Revenue <i>HK\$'000</i>	Percentage of revenue %	Revenue <i>HK\$'000</i>	Percentage of revenue %	
Intravenous infusion solution and others	3,976,192	95.5	5,585,094	96.7	(28.8)
(Including: Non-PVC soft bag & upright soft bag infusion solution	1,742,596	41.9	2,763,135	47.8	(36.9)
PP plastic bottle infusion solution	559,268	13.4	792,329	13.7	(29.4)
Glass bottle infusion solution	183,559	4.4	179,225	3.1	2.4
Ampoule injection	287,489	6.9	500,950	8.7	(42.6)
Bulk pharmaceuticals	678,536	16.3	784,583	13.6	(13.5)
Oral preparations	454,772	10.9	501,695	8.7	(9.4)
Others)	69,972	1.7	63,177	1.1	10.8
Medical materials	189,273	4.5	188,157	3.3	0.6
Total	<u>4,165,465</u>	<u>100</u>	<u>5,773,251</u>	<u>100</u>	(27.8)

In 2025, the pharmaceutical market underwent multidimensional and profound changes, presenting more challenges and difficulties for enterprises in products sales. Facing continuously changing market environment, the Group has been continuously strengthening the implementation of an integrated operation strategy of “bulk pharmaceuticals + preparations”, deepening its presence in the market of its dominant products which are

intravenous infusion solutions, focusing on increasing the market share of existing and new products for oral preparations and ampoule injections, implementing multiple strategies to expand the sales proportion of high-value-added preparations, and striving to optimize growth market while revitalizing existing market.

During the year, the Group has continuously improved the market accessibility of its products. In 2025, the Group overcame the impact of adverse factors, effectively bridged between the approval and market entry of new products across various regions, and timely participated in the National Centralised Medicines Procurement, its renewal and various drug tendering activities at provincial alliances and local levels. Throughout the year, a total of 42 generic types with 52 specifications were approved for market access. At the same time, throughout the year, the Group participated in over a thousand drug tenders, including renewal of National Centralised Medicines Procurement, provincial and local alliance centralised procurement, and by medical institutions, and achieved outstanding performance with a clear advantage in winning tenders, particularly in the eleventh batch of the National Centralised Medicines Procurement, the Beijing-Tianjin-Hebei “3+N” alliance volume-based procurement, the Sichuan Sodium Chloride Large Volume Injection Alliance volume-based procurement, the provincial alliance volume-based procurement for 66 chemical drugs including Meglumine Adenosine Cyclophosphate, the Guangdong Alliance centralised procurement renewal such as Diclofenac, and the Guangdong Alliance Chronic Diseases Alliance procurement renewal, which further consolidated the market foundation of key regions, and created conditions for improving product accessibility. In addition, the varieties of the Group’s products which are included in the National Medical Insurance Catalog continued to expand. Calcium Gluconate and Sodium Chloride Injection is newly added to the new version of the 2025 National Medical Insurance Catalog. Currently, the Group has 201 types of product included in the National Medical Insurance Catalog.

In terms of intravenous infusion solution business and ampoule injection business, they have not met our expectations, but our overall market share remained stable. In 2025, intravenous infusion solution of the Group achieved an overall sales volume of 1,536 million bottles (bags), representing a decrease of 24.5% as compared to last year; among which, the domestic infusion solution achieved an aggregate sales volume of 1,378 million bottles (bags), representing a decrease of 28.2% as compared to last year. Revenue from intravenous infusion solution was HK\$2,485 million, representing a decrease of 33.5% as compared to last year. This was mainly due to sluggish demand and price decline in the existing market of basic infusion, as affected by a combination of policy and market factors, which resulted in weaker-than-expected performance. Nevertheless, in 2025, some therapeutic infusion solution products of the Group still achieved growth, among which, sales volume of Levofloxacin and Sodium Chloride Injection reached 7.95 million bags, representing an increase of 35% as compared to last year; sales volume of Hemofiltration Basic Solution was approximately 1.67 million bags, representing an increase of 69% as compared to last year; sales volume of Paracetamol Injection was 16.22 million bottles, representing an increase of 219% as compared to last year. In 2025, sales volume of ampoule injection products reached 346 million pieces, representing an increase of 10.4% as compared to last year, with a slight

growth in sales volume. Among which, sales volume of Glucose Injection was 37.74 million pieces, representing an increase of 20% as compared to last year; sales volume of Ipratropium Bromide was 24.95 million pieces, representing an increase of 106% as compared to last year; sales volume of Ambroxol Hydrochloride Injection was 79.74 million pieces, representing an increase of 22% as compared to last year; sales volume of Sterile Water for Injection was 30.70 million pieces, representing an increase of 138% as compared to last year; sales volume of Propofol Medium and Long Chain Fat Emulsion Injection was 1.37 million pieces, representing an increase of 123% as compared to last year; sales volume of Etomidate Medium and Long Chain Fat Emulsion Injection was 3.25 million pieces, representing an increase of 377% as compared to last year.

In terms of oral preparations, the production and sales scale achieved steady growth. By proactively adjusting market layout and stepping up professional promotion, the Group was able to participate in centralised procurement and strengthen strategic cooperation with the top 100 chain pharmacies. This approach accelerated the enhancement of its oral preparation products' brand influence and drove market expansion and share growth through multiple dimensions. In 2025, the overall oral preparations products of the Group achieved an overall sales volume of 2,072 million tablets (pieces, bags), representing an increase of 15% as compared to last year; among which, the domestic oral preparations products achieved a sales volume of 1,936 million tablets (pieces, bags), representing an increase of approximately 9% as compared to last year. Oral preparation products such as Betahistine Mesilate Tablets, Felodipine Sustained Release Tablets, Rosuvastatin Calcium Tablets, Gliclazide Tablets, and Valsartan and Amlodipine Tablets (I) achieved relatively fast growth. Among which, sales volume of Betahistine Mesilate Tablets was 123.48 million tablets, representing an increase of 27% as compared to last year; sales volume of Rosuvastatin Calcium Tablets was 292.13 million tablets, representing an increase of approximately 53% as compared to last year; sales volume of Felodipine Sustained Release Tablets was 221.95 million tablets, representing an increase of approximately 31% as compared to last year.

In terms of bulk pharmaceuticals business, the overall sales volume has not met our expectations as affected by domestic and international market and pricing factors. In 2025, the constraints such as weak demand in overseas markets and declining product prices remained fundamentally unchanged, export revenue of bulk pharmaceuticals reached approximately HK\$494 million, representing a decrease of 8.2% as compared to last year. Among them, caffeine were affected by U.S. tariffs and global inflation, resulting in a drop of export sales volume of approximately 1,100 tons, representing a decrease of 24% compared to the previous year. However, exports of certain bulk pharmaceuticals have seen growth, export sales volume of Aminophylline reached 16 tons, representing an increase of 85% compared to last year; export sales volume of Theophylline reached 543 tons, representing an increase of 178% compared to last year. As Guangxiang Pharmaceutical Co., Ltd. (a subsidiary of the Group) establishes overseas branches, the bulk pharmaceuticals business is expected to bottom out and stabilize followed by recovery growth with economic conditions picking up. Domestic revenue of bulk pharmaceuticals reached approximately HK\$184 million, representing a decrease of 25% as compared to last year; with sales volume

of bulk pharmaceuticals reaching 1,126 tons, representing an increase of 3% as compared to last year. Among which, sales volume of Metronidazole reached 282 tons, representing an increase of 58% compared to last year; sales volume of Hydroxyethyl Starch reached 93 tons, representing an increase of 77% compared to last year.

In terms of medical materials, production and sales have achieved steady improvements. During the year, the Group continued to increase investment in the research and development of new medical material products, advancing both product development and market expansion in a coordinated manner. Through precise market positioning and enhanced product competitiveness, market penetration rates continued to improve. In 2025, revenue of Jiangsu Best New Medical Material external to the Group reached approximately HK\$189 million, representing an increase of HK\$11.16 million and a growth of 0.6% compared to last year. The Group has continuously deepened cooperation with leading domestic pharmaceutical enterprises and rapidly advanced the layout of overseas markets, enabling the market penetration capability and coverage of key medical material products such as infusion soft tubes and multi-layer co-extrusion films to be steadily enhanced. Products including butyl rubber pistons for pre-filled syringes, laminated series butyl rubber stoppers, bioprocessing films, specialized films for peritoneal dialysis bags, and non-PVC infusion soft tubes have become important drivers of growth.

In terms of export of preparations, the growth continues to be steady. In 2025, export volume of infusion solutions reached 158.36 million bottles (bags), representing an increase of approximately 35% compared to last year. Export revenue of preparations reached HK\$239.55 million, representing an increase of approximately 35% compared to last year, with sales of ampoule injections reached 28.59 million pieces and oral preparations reached 136 million tablets. Meanwhile, the Group developed 45 new customers, with preparation products exported to over 100 countries and regions worldwide. In 2025, the Group obtained 74 product registration certificates in 20 countries including the Philippines and Nicaragua. To date, the Group has accumulated 513 product registration certificates in nearly a hundred countries. In 2025, the Group has passed official GMP audits and clients' GMP audits in more than 10 countries, including Rwanda and Uzbekistan.

(2) Research and Development of New Products

During the year, the Group has continuously expanded the development of new products in areas such as specialised generic drugs, orphan drugs, pediatric drugs, innovative drugs, bulk pharmaceuticals and Chinese medicine, and maintained a leading position in the industry in terms of the number of submissions and approvals for domestic entities.

Research and development of new products has achieved significant results. The Group focuses on market demand and strives to strategically deploy in the fields of antiviral, antibacterial, neurological system, cardiovascular, digestive, anesthesia and analgesia, and anti-tumor products. During the year, the Group obtained 110 production approvals

(including national supplemental applications), including 86 for preparations and 24 for bulk pharmaceuticals, and obtained 4 clinical trial approvals. Among them, 24 specifications were among the first three approvals, in particular the Paracetamol Granules and Urapidil Sustained-Release Capsules being the first and exclusive of passing the evaluation; Nicardipine Hydrochloride & Sodium Chloride Injection and Composite Potassium Hydrogen Phosphate Injection being the first of passing the evaluation; Timolol Maleate Eye Drops being the first approved and the Group's first ophthalmic preparation in unit dose packaging. In addition, the Group's self-developed new pediatric product, Voriconazole for Oral Suspension (the broad-spectrum triazole antifungal agents), has been included in the National Health Commission's "the Third Batch of Encouraged Research and Development List of Pediatric Drugs".

During the year, the Group submitted 120 projects for product approvals (including national supplemental applications), including 90 for preparations and 30 for bulk pharmaceuticals. Among them, there were 24 product specifications being the first three submitted applications, in particular Methocarbamol Tablets, a muscle relaxant drug, being the first submitted. The continuous enrichment of the product development pipeline strongly promotes the Group's improvement in quality and efficiency and its industrial upgrading.

In terms of research and development of innovative drugs, a series of progress has been made. The Group's self-developed Type I innovative drug SYN045 has received approval for clinical trials and is undergoing Phase I clinical trials currently. The completed single-dose and multiple-dose escalation studies showed no serious adverse reactions, indicating good safety. Several Type I innovative drug projects at preclinical stage are advancing simultaneously, demonstrating excellent preclinical potential. For example, the CX24005 project for treating neurological diseases such as epilepsy has completed screening of multiple series of compounds, with self-designed compounds showing outstanding target activity—efficacious doses in animal models were only one-tenth of those of the reference drug, with an eight-fold improvement in bioavailability. The project has now entered the PCC (Preclinical Candidate Compound) selection stage, with confirmation to be completed in May 2026. The relevant patents have been filed with the China National Intellectual Property Administration. The CX25001 project for analgesia is currently in the lead optimization stage, target activity was improved 4-fold relative to the positive control compound, with favorable druggability. The PCC is expected to be identified in August 2026.

In terms of the development of complex preparation drugs, various tasks had orderly progresses through the establishment of specialised technical platforms. Platforms for therapeutic emulsion technology, liposome technology, and inhaled corticosteroid suspension formulation technology have been successively established. Currently, Propofol Medium and Long Chain Fat Emulsion Injection, Etomidate Medium and Long Chain Fat Emulsion Injection, Progesterone Injection (II) have achieved large-scale production, while Lipid-Soluble Vitamin Injection (I) and (II) are expected to be the first to receive approval in 2026. Letemovir Injection and Budesonide Suspension for Inhalation are under review and approval process. Pilot-scale study on Doxorubicin Hydrochloride Liposome Injection has been completed, with key process technologies and quality research standards already mastered. Propofol Injectable Emulsion, Flurbiprofen Axetil Injection, Amphotericin B Liposome for Injection, Beclomethasone Dipropionate Inhalation Suspension complex formulation are currently in the research phase. With continuous optimization in the research & development field and ongoing refinement of product chain, the Group's influence in the market of complex preparation products will be further enhanced.

Consistency evaluation of generic drugs has fruitful results. During the year, Vitamin B₆ Injection and Lincomycin Hydrochloride for Injection have passed the consistency evaluation. Vitamin B₁₂ Injection, Diltiazem Hydrochloride Tablets, and Azithromycin Dispersible Tablets have been submitted for the consistency evaluation. By the end of 2025, the Group's products that have passed the consistency evaluation or been regarded as passing the consistency evaluation have cumulatively reached 166 types with 217 specifications. The increasingly rich matrix of products that passed consistency evaluation has created favorable conditions for optimizing product mix, exploring diversified markets, and enhancing product accessibility.

The effectiveness of intellectual property rights protection efforts is remarkable. During the year, the Group applied for 71 patents and was authorised for 30 patents. The Group has cumulatively applied for 591 patents and been authorized for 377 patents. Currently, the Group owns 345 active patents, including 190 invention patents.

(3) Development of Infrastructure Projects

The Group accelerates the efficiency of new product industrialization through high-quality project development. During the year, the Group coordinated the progress of ongoing foundational construction projects. Among them, the first phase of high-end preparation industrialization project has been fully completed. For the Hebei Guolong Pharmaceutical Integrated and Innovative Pharmaceutical Development Demonstration Project, the raw material warehouse and power workshop have been put into use in August 2025, and its main steel structure of the multi-layer warehouse has been completed. The new specialised oral preparation digitalization production line project was completed in August 2025. The international production line of injections project was ready for trial production in December 2025. The production line of sterile lyophilized powder for injection in High-Tech Industrial Development Zone commenced construction in December 2025.

III. PROSPECTS FOR DEVELOPMENT

Currently, the effects brought by changes in external environment continue to deepen, and the contradiction between strong supply and weak demand domestically is becoming increasingly prominent, so there are still more risks and challenges for this new year. Facing difficulties and challenges, the Group will confront them with confidence, leverage its strengths, and rise to the challenges. We will make coordinated efforts to optimize new market and revitalize existing market, comprehensively improve resource allocation efficiency, promote transition between new and old growth drivers in a coordinated manner, and develop new quality productivity tailored to local conditions. We will continuously promote the deep integration of the innovation chain, supply chain, and value chain, facilitate the domestic-international dual circulation, and achieve the goals of steady expectations and solid growth.

1. The Group will establish and improve operational mechanisms that better adapt to current policies and market conditions. Focusing on market, quality and cost control, we will carry on traditional advantageous business forms to actively plan and establish business models which take into account both innovation and compliance, continuously optimizing organizational structure and management mechanisms, expanding business scope, and strengthening business capabilities. We will actively prevent and mitigate market risks (such as involution) and external shocks, driving the improvement of research & development and production efficiency from the marketing end, further reducing costs, steadying expectations, stimulating vitality and continuously improving operational quality of the Group.
2. On the preparations business, the Group will focus on the difficulties, blockages, and bottlenecks in preparations operations, establish and implement a differentiated assessment mechanism, quantify tasks down to individuals and assign responsibilities down to individuals. While further expanding the market share of basic infusion solutions in grade hospitals, we will extend terminal market downward and step up efforts to develop primary community medical institutions, focusing on stabilizing existing market, expanding new market, and improving quality. We will prioritize volume growth for large-volume and therapeutic products such as peritoneal dialysis solution and hemofiltration solutions, ensuring sustained growth in infusion production and sales. The approval of dual-chamber dialysate products in the second half of 2026 will further solidify the Group's leading position in the dialysis field. Meanwhile, leveraging the Group's advantages in selection results of centralised procurement projects—including the eleventh batch of National Centralised Medicines Procurement, renewal of the first to the eighth batches of National Centralised Medicines Procurement, the Guangdong Alliance, and the provincial alliance volume-based procurement for 66 chemical drugs including Meglumine Adenosine Cyclophosphate—we will accelerate and expand product market coverage. Capitalizing on the Group's increasingly enriched product portfolio, we will strengthen strategic cooperation with chain pharmacies, actively embrace internet marketing, explore new retail business models, standardize and leverage the function of online trading platforms, and actively capture the terminal market. We will deeply tap the market potential of new products in oral preparations, ampoule injections, and lyophilized powder for injections etc., promoting the

continuous expansion of the sales proportion of non-infusion solutions products. Relying on international certification as foundation, we will promote the Group's preparations export business to "set sail overseas". We will strengthen compliance in operations, implement customer credit management, increase efforts in accounts receivable collection, so as to avoid operational risks.

3. On the bulk pharmaceuticals business, the Group will continuously optimize the product mix, accelerate the implementation and transformation of new high-value-added specialized products, and pursue integrated development toward high-end, intelligent, and green manufacturing to continuously empower the resilience and vitality of bulk pharmaceuticals development. We will focus on the export of commodity bulk pharmaceuticals such as caffeine, while stabilizing the customer base in regions including the Americas, Europe, South Asia, and Southeast Asia, leveraging the role of Guangxiang Pharmaceutical's branches to further expand sales channels for core products such as caffeine and azithromycin. Meanwhile, the Group will strengthen the development efforts in domestic customers, broaden the associated review mechanism with downstream preparation enterprises, and explore the specialised bulk pharmaceuticals market through multiple channels, striving to achieve new breakthroughs in production and sales.
4. The Group will continuously promote enterprise innovation. The Group will firmly adhere to the strategy of "combination of generic and innovative drugs" in R&D, center on the integrated development of "medical materials + bulk pharmaceuticals + preparations + AI + enablement", accelerate the pipeline layout and development of innovative drugs, improved new drugs, specialised generic drugs, high-end complex preparations, as well as specialised high-end bulk pharmaceuticals and medical materials, and continuously drive R&D innovation. With a focus on building a modernized industrial system, we will strengthen foundational innovation capabilities, enhance the innovation drug R&D team building, and lead the enterprise's R&D innovation to accelerate transformation from generic drugs to innovative drugs. By fully leveraging the collaborative innovation mechanism of "industry-academia-research-application" and new technological means such as "AI+", we will continuously optimise the innovation ecosystem and drive the transformation of scientific research paradigms through artificial intelligence. While maintaining advantages in R&D approval and application efficiency, we will strengthen whole-process quality management for the technology transfer and transformation of new products, ensure that innovation achievements are efficiently and stably transformed into actual productivity, continuously enhance transformation efficiency and market competitiveness, and enable innovation achievements to continuously empower the enterprise to ascend to the mid-to-high end of the value chain.

5. The Group will systematically advance the construction progress of new and ongoing projects. Based on the Group's industrial development and scale enhancement, with the industrialization of innovative achievements as the foothold, centering on R&D innovation milestones, focusing on the organic integration of results transformation and digital transformation, we will accelerate the construction progress of ongoing and new projects. The production line of sterile lyophilized powder for injection project in High-Tech Industrial Development Zone will strive for completion by the end of May 2026, and the production line of sterile powder project in Development Zone commenced construction in March 2026 and is expected to commence trial production in September 2026, laying the hardware foundation for new products industrialisation and capacity enhancement.

In addition, the Group will leverage its own strengths to actively seek opportunities for mergers and acquisitions as well as investments in the pharmaceutical industry, with the aim of enhancing and strengthening the supply chain, creating new growth poles, and reinforcing the Group's position in the product and capital markets to increase the return on investment.

Despite the tough road ahead, in this new year, the Group will stick to its new targets, push forward to rise to the challenges, and strive to implement and carry out numerous business tasks of year 2026, so as to bring satisfactory returns to our investors with new results in development by innovation.

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

(Expressed in Hong Kong dollars)

	Note	2025 HK\$'000	2024 HK\$'000
Revenue	3	4,165,465	5,773,251
Cost of sales		<u>(2,434,460)</u>	<u>(2,864,989)</u>
Gross profit		1,731,005	2,908,262
Other net income		214,416	160,943
Selling and distribution costs		(736,170)	(1,143,425)
General and administrative expenses		(340,436)	(299,210)
Research and development costs		(244,028)	(265,969)
Reversal of/(provision for) impairment loss on trade and other receivables		4,125	(6,492)
Other operating expenses		<u>—</u>	<u>(10,609)</u>
Profit from operations		628,912	1,343,500
Finance income		17,437	38,491
Finance costs		<u>(105,631)</u>	<u>(126,881)</u>
Finance costs – net	4(a)	(88,194)	(88,390)
Share of profit of an associate		<u>22,978</u>	<u>26,493</u>
Profit before taxation	4	563,696	1,281,603
Income tax	5	<u>(80,235)</u>	<u>(205,995)</u>
Profit for the year		483,461	1,075,608
Other comprehensive income for the year, net of nil tax			
Item that is or may be reclassified subsequently to profit or loss:			
Exchange differences on translation to presentation currency		<u>199,540</u>	<u>(197,635)</u>
Other comprehensive income for the year		<u>199,540</u>	<u>(197,635)</u>
Total comprehensive income for the year		<u>683,001</u>	<u>877,973</u>

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit attributable to:			
Equity shareholders of the Company		470,637	1,061,150
Non-controlling interests		12,824	14,458
		<u>470,637</u>	<u>1,061,150</u>
Profit for the year		483,461	1,075,608
		<u>483,461</u>	<u>1,075,608</u>
Total comprehensive income attributable to:			
Equity shareholders of the Company		662,216	870,411
Non-controlling interests		20,785	7,562
		<u>662,216</u>	<u>870,411</u>
Total comprehensive income for the year		683,001	877,973
		<u>683,001</u>	<u>877,973</u>
Earnings per share			
– Basic	<i>6(a)</i>	HK\$0.1605	HK\$0.3582
		<u>HK\$0.1605</u>	<u>HK\$0.3582</u>
– Diluted	<i>6(b)</i>	HK\$0.1605	HK\$0.3581
		<u>HK\$0.1605</u>	<u>HK\$0.3581</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2025

(Expressed in Hong Kong dollars)

	31 December 2025	31 December 2024
<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets		
Property, plant and equipment	5,652,304	5,348,764
Right-of-use assets	403,378	392,580
Intangible assets	1,371,781	1,247,089
Interest in an associate	367,210	420,137
Deferred tax assets	62,536	50,179
Pledged bank deposits and fixed deposits	415	84,010
	<u>7,857,624</u>	<u>7,542,759</u>
Current assets		
Trading securities	46,366	34,999
Inventories	1,201,564	1,109,462
Trade and bills receivables	7 1,700,219	2,226,355
Prepayments, deposits and other receivables	237,091	220,590
Pledged bank deposits and time deposits	79,672	211,813
Cash and cash equivalents	1,690,577	1,257,702
	<u>4,955,489</u>	<u>5,060,921</u>
Current liabilities		
Borrowings	1,767,080	654,927
Trade and bills payables	8 281,748	547,618
Contract liabilities	81,152	50,426
Accruals and other payables	483,187	552,349
Lease liabilities	2,390	2,283
Income tax payable	3,006	13,347
	<u>2,618,563</u>	<u>1,820,950</u>
Net current assets	<u>2,336,926</u>	<u>3,239,971</u>
Total assets less current liabilities	<u>10,194,550</u>	<u>10,782,730</u>

	<i>Note</i>	31 December 2025 HK\$'000	31 December 2024 HK\$'000
Non-current liabilities			
Borrowings		2,243,720	2,981,004
Lease liabilities		1,476	1,476
Deferred tax liabilities		12,498	17,571
Deferred revenue		316,193	247,029
		<u>2,573,887</u>	<u>3,247,080</u>
NET ASSETS		<u>7,620,663</u>	<u>7,535,650</u>
CAPITAL AND RESERVES			
	9		
Share capital		65,829	65,966
Reserves		7,235,099	7,154,274
Total equity attributable to equity shareholders of the Company		7,300,928	7,220,240
Non-controlling interests		319,735	315,410
TOTAL EQUITY		<u>7,620,663</u>	<u>7,535,650</u>

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). Material accounting policies adopted by the Group are disclosed below.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Changes in accounting policies

New and amended HKFRSs

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

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

2. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group’s most senior executive management for the purpose of allocating resources and assessing performance of the operating segments.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below.

	2025			
	Intravenous infusion solution and others <i>HK\$'000</i>	Medical materials <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Disaggregated by timing of revenue recognition				
Point in time	3,966,553	195,178	–	4,161,731
Over time	3,730	4	–	3,734
Revenue from external customers	3,970,283	195,182	–	4,165,465
Inter-segment revenue	–	182,236	–	182,236
Reportable segment revenue	3,970,283	377,418	–	4,347,701
Operating profit or loss/segment results	628,826	18,226	(18,140)	628,912
Finance income	15,781	341	1,315	17,437
Finance costs	(69,225)	–	(36,406)	(105,631)
Share of profit of an associate	22,978	–	–	22,978
Profit/(loss) before taxation	598,360	18,567	(53,231)	563,696
Income tax	(74,541)	(5,694)	–	(80,235)
Reportable segment profit/(loss) for the year	523,819	12,873	(53,231)	483,461
Depreciation and amortisation for the year	432,016	19,198	2,281	453,495
(Reversal of)/provision for impairment of receivables	(5,177)	1,052	–	(4,125)
Impairment of internally generated capitalised development costs and patents	17,043	–	–	17,043
Impairment of property, plant and equipment	11,037	–	–	11,037
Total assets/reportable segment assets (including interests in an associate)	12,150,929	598,716	63,468	12,813,113
Additions to non-current assets	828,256	196	20	828,472
Total liabilities/reportable segment liabilities	3,919,370	59,471	1,213,609	5,192,450

	Intravenous infusion solution and others <i>HK\$'000</i>	Medical materials <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Disaggregated by timing of revenue recognition				
Point in time	5,584,717	188,037	–	5,772,754
Over time	377	120	–	497
Revenue from external customers	5,585,094	188,157	–	5,773,251
Inter-segment revenue	–	216,908	–	216,908
Reportable segment revenue	5,585,094	405,065	–	5,990,159
Operating profit or loss/segment results	1,345,740	18,843	(21,083)	1,343,500
Finance income	37,607	542	342	38,491
Finance costs	(66,382)	–	(60,499)	(126,881)
Share of profit of an associate	26,493	–	–	26,493
Profit/(loss) before taxation	1,343,458	19,385	(81,240)	1,281,603
Income tax	(196,287)	(9,708)	–	(205,995)
Reportable segment profit/(loss) for the year	1,147,171	9,677	(81,240)	1,075,608
Depreciation and amortisation for the year	433,583	19,783	2,285	455,651
Provision for/(reversal of) impairment of receivables	7,013	(521)	–	6,492
Impairment of internally generated capitalised development costs	16,304	–	–	16,304
Impairment of goodwill	10,609	–	–	10,609
Total assets/reportable segment assets (including interests in an associate)	11,979,257	546,603	77,820	12,603,680
Additions to non-current assets	1,413,854	50,097	102	1,464,053
Total liabilities/reportable segment liabilities	3,980,629	48,721	1,038,680	5,068,030

3. Revenue

The Group derives revenue principally from the sale of a wide range of pharmaceutical products, which includes finished medicines of mainly intravenous infusion solution and ampoule injection, bulk pharmaceutical products and medical materials.

(i) Disaggregation of revenue

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregation by major products or service lines		
– Sales of pharmaceutical products	3,914,286	5,548,885
– Sales of medical materials	189,269	185,013
– Services income	14,481	10,700
– Sales of raw materials and by-products	47,425	28,533
	<u>4,165,461</u>	<u>5,773,131</u>
Revenue from other source		
– Rental income	4	120
	<u>4,165,465</u>	<u>5,773,251</u>
Disaggregated by geographical location of customers		
– The PRC (place of domicile)	3,464,724	5,048,646
– Other countries	700,741	724,605
	<u>4,165,465</u>	<u>5,773,251</u>

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in note 2.

The directors have determined that no geographical segment information of specified non-current assets is presented as over 95% (2024: 95%) of the non-current assets of the Group are located in the PRC, which is considered as one geographic location with similar risks and returns.

For the year ended 31 December 2025, no customer with whom transactions have exceeded 10% of the Group's revenue.

4. Profit before taxation

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

(a) Finance income and costs

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Finance income:		
– Interest income on bank deposits	(21,124)	(29,546)
– Net foreign exchange loss/(gain)	3,687	(8,945)
	<u>(17,437)</u>	<u>(38,491)</u>
Finance income	(17,437)	(38,491)
Finance costs:		
– Interest expense of borrowings	105,524	126,679
– Interest on lease liabilities	107	202
	<u>105,631</u>	<u>126,881</u>
Finance costs	105,631	126,881
Finance costs – net	88,194	88,390

(b) Staff costs

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Contributions to defined contribution retirement plan	64,228	65,836
Salaries, wages and other benefits	598,368	708,999
	<u>662,596</u>	<u>774,835</u>

(c) *Other items*

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Research and development costs	423,668	466,925
<i>Less: Costs capitalised into intangible assets</i>	<u>(179,640)</u>	<u>(200,956)</u>
	<u>244,028</u>	<u>265,969</u>
Amortisation [#]		
– intangible assets	80,908	64,704
<i>Less: Amount capitalised as development costs</i>	<u>(83)</u>	<u>(82)</u>
	<u>80,825</u>	<u>64,622</u>
Depreciation charges [#]		
– owned property, plant and equipment	388,256	395,067
– right-of-use assets	13,656	11,672
<i>Less: Amount capitalised as property, plant and equipment and development costs</i>	<u>(29,242)</u>	<u>(15,710)</u>
	<u>372,670</u>	<u>391,029</u>
(Reversal of)/provision for impairment losses		
– trade receivables	(4,271)	6,181
– other receivables	146	311
Auditors' remuneration – audit services	3,004	3,297
Cost of inventories [#]	2,445,642	2,860,353
Impairment of property, plant and equipment	11,037	–
Impairment of goodwill	–	10,609
Other expenses		
– transportation expenses	270,525	309,435
– utility expenses	187,029	344,285
– advertising expenses	95,851	172,777
– marketing and promotion service expenses	208,501	477,407
– travelling, meeting and entertainment expenses	60,400	77,569
– surcharges and other tax expenses	54,254	66,017

[#] Cost of inventories includes HK\$631,728,000 (2024: HK\$710,687,000) relating to staff costs, depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in note 4(b) for each of these types of expenses.

5. Income tax

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax – the PRC Corporate Income Tax (“CIT”)	96,651	222,463
Deferred tax – origination and reversal of temporary differences	<u>(16,416)</u>	<u>(16,468)</u>
	<u>80,235</u>	<u>205,995</u>

The Company is incorporated in the Cayman Islands as an exempted company and, accordingly, is exempted from payment of the Cayman Islands income tax.

No provision for Hong Kong Profits Tax has been made for the years ended 31 December 2025 and 2024 as the Group did not have any profits assessable to Hong Kong Profits Tax during the current and prior years.

Shijiazhuang No. 4 Pharmaceutical Co., Ltd. (“Shijiazhuang No.4”), Jiangsu Best New Medical Material Co., Ltd. (“Jiangsu Best”), Hebei Guangxiang Pharmaceutical Co., Ltd. (“Hebei Guangxiang”) 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 PRC (the “CIT Law”) for HNTE, these entities are subject to a reduced corporate 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%.

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.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit before taxation	<u>563,696</u>	<u>1,281,603</u>
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	148,884	325,994
Effect of the PRC preferential tax rates	(67,603)	(133,614)
Effect of non-deductible expenses	9,615	21,658
Additional deduction of research and development expenditures	(42,483)	(37,116)
Withholding tax on profit distributions	26,687	34,088
Others	<u>5,135</u>	<u>(5,015)</u>
Actual tax expense	<u>80,235</u>	<u>205,995</u>

6. Earnings per share

(a) *Basic earnings per share*

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK\$470,637,000 (2024: HK\$1,061,150,000) and the weighted average of 2,932,944,000 ordinary shares (2024: 2,962,512,000 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2025 <i>'000</i>	2024 <i>'000</i>
Issued ordinary shares at 1 January	2,954,659	2,965,743
Effect of purchase and cancellation of own shares	<u>(21,715)</u>	<u>(3,231)</u>
Weighted average number of ordinary shares at 31 December	<u>2,932,944</u>	<u>2,962,512</u>

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK\$470,637,000 (2024: HK\$1,061,150,000) and the weighted average of 2,932,944,000 ordinary shares (2024: 2,963,122,000 ordinary shares) after adjusting the effect of dilutive potential ordinary shares under the Company's share option scheme, calculated as follows:

Weighted average number of ordinary shares (diluted)

	2025 '000	2024 '000
Weighted average number of ordinary shares at 31 December (basic)	2,932,944	2,962,512
Effect of deemed issue of shares under the Company's share option scheme	—	610
	<u>2,932,944</u>	<u>2,963,122</u>
Weighted average number of ordinary shares at 31 December (diluted)	<u><u>2,932,944</u></u>	<u><u>2,963,122</u></u>

7. Trade and bills receivables

	2025 HK\$'000	2024 HK\$'000
Trade receivables	1,655,386	2,109,727
Bills receivable	60,071	135,461
	<u>1,715,457</u>	<u>2,245,188</u>
Less: Loss allowance	(15,238)	(18,833)
	<u><u>1,700,219</u></u>	<u><u>2,226,355</u></u>

All of the trade and bills receivables are expected to be recovered within one year.

Bills receivable represent short-term bank acceptance notes receivable that entitle the Group to receive the full face amount from the banks at maturity, which generally ranges from 3 to 12 months from the date of issuance. Historically, the Group had experienced no credit losses on bills receivable. The Group from time to time endorses bills receivable to suppliers in order to settle payables.

As at 31 December 2025, the Group endorsed certain bank acceptance bills to suppliers for settling payables of the same amount on a full recourse basis. The Group has derecognised these bills receivable and payables to suppliers in their entirety. These derecognised bank acceptance bills had a maturity date of less than six months from the end of the reporting period. In the opinion of the directors, the Group has transferred substantially all the risks and rewards of ownership of these bills and has discharged its obligation of the payables to its suppliers, and the Group has limited exposure in respect of the settlement obligation of these bills receivable under the relevant PRC rules and regulations, should the issuing banks fail to settle the bills on maturity date. The Group considered the issuing banks of these bills are of good credit quality and non-settlement of these bills by the issuing banks on maturity is not probable. Bills receivable were therefore derecognised.

As at 31 December 2025, the Group's maximum exposure to loss and undiscounted cash outflow, which is same as the amount payable by the Group to suppliers in respect of the endorsed bills, should the issuing banks fail to settle the bills on maturity date, amounted to HK\$576 million (31 December 2024: HK\$730 million).

Ageing analysis

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 year	1,701,720	2,227,244
After 2 but within 2 years	13,391	17,607
More than 2 years	346	337
	<u>1,715,457</u>	<u>2,245,188</u>

8. Trade and bills payables

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 3 months	220,930	284,273
4 to 6 months	38,809	244,241
7 to 12 months	18,621	11,328
More than 1 year	3,388	7,776
	<u>281,748</u>	<u>547,618</u>

9. Dividends and share capital

(a) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interim dividend declared and paid of HK5.0 cents per ordinary share (2024: HK8.0 cents per ordinary share)	146,726	237,222
Final dividend proposed after the end of the reporting period of HK3.0 cents per ordinary share (2024: HK9.5 cents per ordinary share)	<u>86,977</u>	<u>280,622</u>
	<u><u>233,703</u></u>	<u><u>517,844</u></u>

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

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year, of HK9.5 cents per share (2024: HK10.0 cents per share)	<u>280,355</u>	<u>296,904</u>

(b) Issued share capital

	2025		2024	
	No. of shares (<i>'000</i>)	<i>HK\$'000</i>	No. of shares (<i>'000</i>)	<i>HK\$'000</i>
Ordinary shares of HK\$0.02 each, issued and fully paid:				
At 1 January	2,957,959	65,966	2,969,043	66,188
Repurchase and cancellation of own shares	<u>(6,846)</u>	<u>(137)</u>	<u>(11,084)</u>	<u>(222)</u>
	<u><u>2,951,113</u></u>	<u><u>65,829</u></u>	<u><u>2,957,959</u></u>	<u><u>65,966</u></u>

Except for the treasury shares held by the Company, the holders of ordinary shares are entitled to receive dividends as declared from time to time. Except for the treasury shares held by the Company and the restricted shares held by the Trustee of the Restricted Share Award Scheme, the holders of ordinary shares are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

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 selling 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 year ended 31 December 2025, the review on the Group’s business performance and financial performance are contained in the Chairman’s statement under section headed “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 “PROSPECTS FOR DEVELOPMENT”.

FINANCIAL PERFORMANCE REVIEW

Revenue

The Group’s intravenous infusion solution and ampoule injection products are mainly manufactured and sold by Shijiazhuang No. 4 Pharma, a wholly-owned subsidiary in the Group. There are different forms of packing in intravenous infusion solution 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, revenue of the Group decreased to HK\$4,165,465,000 for the year ended 31 December 2025 (2024: HK\$5,773,251,000), representing a decrease of 27.8% on a year-to-year basis, mainly due to a drop in sales volume of intravenous infusion (“IV”) solution and revenue from ampoule injections.

For the year ended 31 December 2025, the growth of terminal sales volume of medicines has been affected by the absence of large-scale epidemic in the PRC and the control of medical insurance cost. There was an overall volume drop of 24.5% in the Group's IV solution for the year ended 31 December 2025 as compared with last year. Furthermore, the expansion of various forms of volume-based procurement (including the National Centralised Procurement and local alliance centralised procurement) and the intensification of domestic and international industry competition have brought about continuing price pressure. As a result, total revenue from IV solution accounted for HK\$2,485,423,000 (2024: HK\$3,734,689,000), representing a decrease of 33.5% on a year-to-year basis. Among which, revenue from Non-PVC Soft Bag infusion solution and Upright Soft Bag infusion solution was HK\$1,183,690,000 and HK\$558,906,000 respectively, totalling HK\$1,742,596,000, representing 70.1% of the total revenue from IV solution and a decrease of 36.9% compared with last year; revenue from PP Plastic Bottle infusion solution was HK\$559,268,000, representing 22.5% of the total revenue from IV solution and a decrease of 29.4% compared with last year; revenue from Glass Bottle infusion solution was HK\$183,559,000, representing 7.4% of the total revenue from IV solution and an increase of 2.4% compared with last year.

For the year ended 31 December 2025, revenue from ampoule injections accounted for HK\$287,489,000 (2024: HK\$500,950,000). Despite of an overall increase in sales volume of ampoule products, revenue dropped by 42.6% as compared with last year mainly due to drop in average selling price of ampoule products and revenue from Bromehexine Hydrochloride Injection which was no longer conducted through the National Centralised Procurement. Revenue from bulk pharmaceuticals accounted for HK\$678,536,000 (2024: HK\$784,583,000), representing a decrease of 13.5% as compared with last year mainly because sales volume and market price of caffeine have not yet fully recovered from their low level. Revenue from oral preparations accounted for HK\$454,772,000 (2024: HK\$501,695,000), representing a decrease of 9.4% as compared to last year which was caused by drop in sales of old products but partly offset by growth in sales of new products.

For the year ended 31 December 2025, revenue from medical materials products contributed HK\$189,273,000 (2024: HK\$188,157,000) to the Group, representing an increase of 0.6% as compared with last year mainly contributed by sales of new products. The Group will keep focusing its production in high quality intravenous infusion solution products such as therapeutic infusion solution. The Group will also keep introducing new products in ampoule injections, bulk pharmaceuticals, oral preparations and medical materials to drive revenue growth for the future.

Cost of Sales

The Group has been adopting various cost control measures such as production process optimization, equipment modification and energy conservation. For the year ended 31 December 2025, the Group's cost of sales decreased by 15.0% to HK\$2,434,460,000 (2024: HK\$2,864,989,000) under such cost management processes and also as a result of drop in overall sales volume of IV as compared to last year. The cost of direct materials, direct labour and other costs represented approximately 63.3%, 14.1% and 22.6% of the total cost of sales respectively for the year ended 31 December 2025 while their comparative percentages for 2024 were 60.7%, 14.2% and 25.1% respectively.

Gross Profit Margin

For the year ended 31 December 2025, the Group recorded a total gross profit of HK\$1,731,005,000 (2024: HK\$2,908,262,000). As compared with last year, there were a larger proportion of revenue from finished medicines being sold through centralised procurement and drop in average selling prices of existing IV solution and ampoule injections products during the year, but meanwhile they contributed to the reduction of selling and distribution costs. As a result, overall gross profit margin decreased by 8.8 percentage points to 41.6% for the year ended 31 December 2025 from 50.4% of last year.

Other Net Income

For the year ended 31 December 2025, the Group's other net income increased to HK\$214,416,000 (2024: HK\$160,943,000) which mainly represented government grants.

Selling and Distribution Costs

For the year ended 31 December 2025, selling and distribution costs amounted to approximately HK\$736,170,000 (2024: HK\$1,143,425,000), which was mainly consisted of advertising, marketing and promotion expenses of approximately HK\$304,352,000 (2024: HK\$650,184,000), transportation cost of approximately HK\$258,338,000 (2024: HK\$297,799,000) as well as salary expenses for sales and marketing staff of approximately HK\$98,364,000 (2024: HK\$106,531,000).

Selling and distribution costs significantly reduced by 35.6% for the year ended 31 December 2025 as compared with last year. During the year of 2025, the Group has keep optimizing the efficiency of its sales channel, and a higher proportion of finished medicines were sold through centralised procurement, which both resulted in a significant drop in advertising, marketing and promotion expenses from last year. Also, there was a drop in overall sales volume of IV solution from last year.

General and Administrative Expenses

For the year ended 31 December 2025, general and administrative expenses was approximately HK\$340,436,000 (2024: HK\$299,210,000) which mainly comprised salaries expenses for administrative staff of approximately HK\$129,529,000 (2024: HK\$147,297,000), depreciation and amortisation expenses of approximately HK\$74,146,000 (2024: HK\$62,139,000) as well as utility expenses of approximately HK\$20,083,000 (2024: HK\$20,715,000).

There was an increase of 13.8% in general and administrative expenses for the year ended 31 December 2025 as compared with last year mainly due to increase in depreciation, amortisation and miscellaneous expenses of general administrative nature.

Research and Development Costs

For the year ended 31 December 2025, research and development (“R&D”) costs was approximately HK\$244,028,000 (2024: HK\$265,969,000), which comprised salaries expenses for R&D staff of approximately HK\$90,986,000 (2024: HK\$113,749,000), depreciation and amortisation expenses of approximately HK\$35,478,000 (2024: HK\$33,896,000) as well as other costs (such as raw materials and consumables) directly expensed of approximately HK\$117,564,000 (2024: HK\$118,324,000).

R&D costs decreased by 8.2% for the year ended 31 December 2025 as compared with last year mainly due to drop in salaries expenses for R&D staff.

Profit from Operations

For the year ended 31 December 2025, the Group’s profit from operations amounted to HK\$628,912,000, representing a decrease of 53.2% as compared to HK\$1,343,500,000 of last year, and the Group’s operating profit margin (defined as profit from operations divided by total revenue) was lowered to 15.1% as compared to 23.3% of last year mainly driven by a lower gross profit margin as compared to last year.

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, slightly decreased by 0.2% to HK\$88,194,000 for the year ended 31 December 2025 (2024: HK\$88,390,000).

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. For the year ended 31 December 2025, the income tax expense of the Group decreased by 61.1% to HK\$80,235,000 (2024: HK\$205,995,000) mainly due to a lower profit before taxation of the Group.

Profit Attributable to Equity Shareholders

For the year ended 31 December 2025, profit attributable to equity shareholders of the Company decreased by 55.6% to HK\$470,637,000 (2024: HK\$1,061,150,000), with net profit margin (defined as profit attributable to equity shareholders of the Company divided by total revenue) decreased from 18.4% last year to 11.3% this year.

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 31 December 2025, the Group's cash and cash equivalents increased to HK\$1,690,577,000 (31 December 2024: HK\$1,257,702,000), mostly were denominated in RMB.

As at 31 December 2025, the Group's bank borrowings increased to HK\$4,010,800,000 (31 December 2024: HK\$3,635,931,000), comprising HK\$3,064,944,000 (31 December 2024: HK\$2,435,487,000) of borrowings denominated in RMB and HK\$945,856,000 (31 December 2024: HK\$1,200,444,000) in Hong Kong dollars. Management considers an increase in onshore bank borrowings will benefit the Group as whole due to a lower average bank borrowings interest rate as compared to last year. As at 31 December 2025, all of the Group's bank borrowings were repayable within 5 years, mostly bearing interest at variable rates.

Gearing ratio (defined as net debt, which is bank borrowings and lease liabilities less cash and cash equivalents, divided by total capital less non-controlling interests) was 24.1% as at 31 December 2025 which was lower than 24.8% as at 31 December 2024. Current ratio (defined as current assets divided by current liabilities) decreased from 2.78 as at 31 December 2024 to 1.89 as at 31 December 2025 due to increase in bank borrowings repayable within one year in accordance with repayment schedule.

As at 31 December 2025, the Group's total capital commitments outstanding but not provided for was HK\$342,895,000 (31 December 2024: HK\$561,838,000).

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

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group had approximately 5,500 employees (31 December 2024: approximately 6,100 employees), 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 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.

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 year ended 31 December 2025 was approximately HK\$662,596,000 (2024: HK\$774,835,000), representing a decrease of 14.5% as compared with last year mainly due to a decreased number of employees.

PLEDGE OF ASSETS

As at 31 December 2025, certain bank deposits of HK\$7,678,000 (31 December 2024: HK\$84,152,000) were pledged for letters of credit facilities and bank acceptance notes issued by the Group, and bank deposits of HK\$14,016,000 (31 December 2024: HK\$19,019,000) were the restricted cash. As at 31 December 2025 and 31 December 2024, none of the Group's right-of-use assets were pledged as collateral for the Group's bank borrowings.

FOREIGN EXCHANGE RISK

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

As at the dates below, the exchange rates of converting HK\$ into RMB (as calculated in HK\$) were:

1 January 2024	0.90622
31 December 2024	0.92604
31 December 2025	0.90322

MATERIAL ACQUISITIONS AND DISPOSALS

There was no material acquisition or disposal of subsidiary or associate for the year ended 31 December 2025.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any significant contingent liabilities.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Board considers that purchase of its shares by the Company under suitable market condition and funding arrangement will enhance net asset value and/or earnings per share of the Company, and thus will benefit the Company and the shareholders as a whole. Furthermore, the Board considers that purchase and resale/transfer of treasury shares (instead of cancellation) will give the Company additional flexibility in managing its capital structure and in granting of shares for its share schemes (by transferring out of treasury). Save for the purchase of 52,300,000 shares which details are set out in the next paragraph, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2025. The Company has not sold/transferred any treasury shares of the Company for the year ended 31 December 2025.

During the year ended 31 December 2025, the Company acquired an aggregate of 52,300,000 ordinary shares through purchases on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at an aggregate consideration of approximately HK\$154,447,000 which details are set out below. As at 31 December 2025, 6,100,000 shares of the above shares have been cancelled, and the remaining 46,200,000 shares, which were purchased under the repurchase mandate granted on 16 May 2025, were held as treasury shares of the Company.

Month of the purchases	Number of shares purchased	Highest price paid per share (HK\$)	Lowest price paid per share (HK\$)	Aggregate consideration
				(inclusive of fees and charges) (HK\$)
January 2025	3,300,000	3.45	3.19	10,751,000
April 2025	2,800,000	3.44	3.33	9,588,000
Total number of shares cancelled	6,100,000			20,339,000
June 2025	16,600,000	2.85	2.61	45,857,000
September 2025	11,900,000	3.06	2.92	35,680,000
October 2025	15,700,000	3.13	2.85	46,587,000
November 2025	2,000,000	3.00	2.96	5,984,000
Total number of shares held as treasury shares	46,200,000			134,108,000

Subsequent to the year ended 31 December 2025 and up to date of this results announcement, the Company further acquired an aggregate of 5,670,000 ordinary shares through purchases on the Stock Exchange which were held as treasury shares of the Company. Hence, as at date of this results announcement, a total of 51,870,000 shares were held as treasury shares of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that a sufficient public float of more than 25% of the total number of issued shares of the Company has been maintained as at the latest practicable date, being 27 March 2026, and at all times during the year ended 31 December 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS

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 by the Company, all Directors confirmed that they had complied with the required standard set out in the Model Code during the year ended 31 December 2025.

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

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 for financial year commencing on 1 January 2025 (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 year ended 31 December 2025, except for the deviation from Code Provision C.2.1 as follows:

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

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

AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group's annual results for the year ended 31 December 2025 in conjunction with the Group's external auditors.

The financial figures in respect of Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

DIVIDENDS

The Company has adopted a dividend policy in which the Board considers paying dividends twice a year, which are interim dividend and final dividend. From time to time, the Board may declare interim dividend. Under normal business conditions, and subject to the approval by the shareholders in a general meeting, the Board may recommend final dividend to maintain a stable dividend payout ratio (defined as the aggregated amount of interim dividend and final dividend in each financial year divided by the Group's audited net profits attributable to the shareholders in that year) but there is no assurance that dividends will be paid in any particular amount for any given period. The Board may also declare special dividends in addition to such dividends, or consider the issuance of bonus shares on a basis permitted by the applicable laws and regulations as it considers appropriate.

The Board considered that the dividend decisions during the year ended 31 December 2025 were made in accordance with the Company's dividend policy. For the year ended 31 December 2025, both a drop in the dividend and in the Group's net profits has resulted in a dividend payout ratio which was relatively stable as compared with last year.

For the year ended 31 December 2025, an interim dividend of HK\$0.05 per share (2024: HK\$0.08 per share) was declared on 28 August 2025 and paid on 26 September 2025. The Board recommended a final dividend of HK\$0.03 per share (2024: HK\$0.095 per share) which, together with the interim dividend, will result in total dividends of HK\$0.08 per share for the year ended 31 December 2025 (2024: HK\$0.175 per share). The payment of the final dividend is subject to the approval in the forthcoming annual general meeting.

In order to qualify for the proposed final dividend to be approved at the forthcoming annual general meeting, all properly completed transfer forms, accompanied by the relevant share certificates, 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., Thursday, 21 May 2026 which is the Record Date for the proposed final dividend. The proposed final dividend is expected to be paid on or about Thursday, 4 June 2026.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company will be held at 2:00 p.m. on 15 May 2026 at Rooms 4902-03, 49th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. A notice of annual general meeting will be published and despatched in accordance with the requirement of the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 12 May 2026 to Friday, 15 May 2026, both dates inclusive, during which period, no transfer of shares will be registered. In order to qualify to attend and vote at the forthcoming annual general meeting, all properly completed transfer forms accompanied by the relevant share certificates 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., Monday, 11 May 2026.

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the Company's website (www.ssygroup.com.hk) and on the website of Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The 2025 annual report containing all the information required by the Listing Rules will be available on the above websites and will be despatched to the shareholders in due course.

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

On behalf of the Board

Qu Jiguang

Chairman

Hong Kong, 27 March 2026

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