



石四藥集團有限公司

SSY Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2005)

2025
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

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 4902-03, 49th Floor
Central Plaza, 18 Harbour Road
Wanchai, Hong Kong

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
(*appointed on 20 June 2025*)

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586, Gardenia Court
Camana Bay, Grand Cayman
KY1-1100, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor
Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

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

<http://www.ssygroup.com.hk>

CHAIRMAN'S STATEMENT

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

I. RESULT AND DIVIDEND DISTRIBUTION

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

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

II. BUSINESS REVIEW

(1) Sales of Products

The Group insisted on prioritizing market access, actively participated in national and local centralised procurement, and promoted the accelerated volume growth and increased market share of new products and advantageous products. In the first half of the year, the Group participated in local procurement projects at or above the municipal level 480 times. Up to now, a total of 183 product specifications have been selected under the volume-based centralised procurement. In the procurement renewal after the expiration of the National Centralised Procurement agreement, 12 product specifications, including Cefdinir capsules as well as the Fluconazole and Sodium Chloride Injection, won the bid. In the inter-provincial alliance volume-based procurement for chemical drugs led by Sichuan, 8 product specifications won the bid with a significant competitive edge, further enhancing the Group's regional market influence. At the same time, we efficiently facilitated the market access for new products. Among which, Composite Potassium Hydrogen Phosphate Injection achieved coverage in 31 provinces and autonomous regions, while Bisoprolol Fumarate and Amlodipine Besilate Tablets have completed market access in 30 provinces. Six products, including Deferasirox Dispersible Tablets and Epinephrine Hydrochloride Injection, gained access in over 20 provinces each, while 4 products, including Sodium Acetate Ringer's and Glucose Injection and Voriconazole for Oral Suspension, were approved in over 15 provinces each. The market access coverage of products has been continuously increasing, laying a solid foundation for future performance growth.

In terms of infusion solutions business, sales of infusion solutions products continued to be under pressure due to the combined effects of multiple factors, including changes in the industry policy environment and weak market demand. In the first half of the year, the overall production and

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

In terms of ampoule injection business, in the first half of the year, sales volume of ampoule injections reached 178.18 million pieces, representing an increase of 7% compared to the corresponding period of last year; with revenue reached HK\$157 million, representing a decrease of 57% compared to the corresponding period of last year. Although sales of ampoule injections was below expectation, that of products selected in the National Centralised Procurement maintained a relatively significant increase. Among which, sales volume of Mecobalamin Injection reached 4.19 million pieces, representing an increase of 61% compared to the corresponding period of last year; sales volume of Urapidil Hydrochloride

Injection reached 6.44 million pieces, representing an increase of 28% compared to the corresponding period of last year; sales volume of Ropivacaine Hydrochloride Injection reached 2.53 million pieces, representing an increase of 36% compared to the corresponding period of last year; and Terbutaline Sulfate Nebuliser Solution achieved sales volume of 5.49 million pieces through integrating sales channels, representing an increase of 198% compared to the corresponding period of last year.

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

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

In terms of export business of preparations, facing multiple constraints such as global economic downturn and slowdown in international market demand, the Group accelerated its pace of “going out”, actively breaking through obstacles and reconnecting disconnections, achieving a stable and upward trend in its existing foreign trade of preparations. In the first half of the year, export volume of infusion solutions reached 73.61 million bottles/(bags), representing an increase of 42% compared to the

corresponding period of last year; export of ampoule injections reached 5.06 million pieces, representing an increase of 623% compared to the corresponding period of last year; export of oral preparations reached a new high, achieved 9.08 million tablets/(bags), representing an increase of 9958% compared to the corresponding period of last year. Total export sales of preparations amounted to RMB100.45 million, representing an increase of 42% compared to the corresponding period of last year. In the first half of the year, the Group received GMP certificates from three countries including Malawi and passed the quality audit of the Ministry of Health of Rwanda, and at the same time, obtained a total of 49 drug product registration certificates, involving 12 product specifications in 14 countries. At present, a total of 43 products with 103 specifications have been exported to 103 countries and regions worldwide, and the level of international sales of preparations has significantly enhanced.

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

(2) Research and Development of New Products

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

In terms of the development of specialised generic drugs, among the 29 approved preparations specifications, 15 were injections and 14 were oral preparations, showcasing a diverse range of dosage forms and prominent market advantages. Among them, Composite Potassium Hydrogen Phosphate Injection was the first generic drug of its type in China, two specifications of Timolol Maleate Eye Drops, 0.5% (0.3ml: 1.5mg) and 0.25% (0.3ml: 0.75mg) were the first of passing consistency evaluation in unit dose packaging in China, Tranexamic Acid Tablet (0.5g) was the first of passing consistency evaluation for its specification, and Arbidol Hydrochloride Tablets was the second of such approvals in China. Composite Potassium Hydrogen Phosphate Injection is an inorganic salt phosphorus supplement, mainly used as a phosphorus supplement for patients who need to fast due to surgery or other trauma. Being the first approval, it further enriches the Group’s product pipeline and reserves, while providing more treatment options for hypophosphatemia

and parenteral nutrition in adult and pediatric patients. Timolol Maleate Eye Drops are effective in lowering intraocular pressure in primary open-angle glaucoma. Tranexamic Acid Tablets are mainly used for various hemorrhages caused by acute or chronic hyperfibrinolysis. Arbidol Hydrochloride Tablets, the second approved type in China, are mainly used for the treatment of upper respiratory tract infections caused by influenza viruses.

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

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

In terms of the development of complex formulation drugs, regarding solid preparations, with the Group's mature platform for sustained-release and osmotic pump technology, the Group has successively developed a number of preparation projects that are technically challenging and have high industrialization thresholds. Dapagliflozin and Metformin Hydrochloride Sustained-release Tablets (I) was approved during the period, and Aminopyridine Sustained-release Tablets was the first to be submitted

for approval. Currently, the Group has obtained approval for a number of compound preparations and sustained-release & controlled-release preparations, including Levodopa and Carbidopa Tablets (II), Carbidopa and Levodopa Sustained-release Tablets, Nifedipine Sustained-release Tablets (II), and Felodipine Sustained-release Tablets, fully demonstrating its strong technological advantages in compound preparations and sustained-release & controlled-release preparations. Meanwhile, extensive researches have been conducted on emulsions, nano-suspension injectable and inhalable preparations, and cyclodextrin inclusion preparations. Progesterone Injection, as a supplementary treatment for progesterone in assisted reproductive technologies (such as IVF/ICSI), is expected to be approved within this year. At the same time, industrialized verification production of Budesonide Suspension for Inhalation, the first hormonal inhalation preparation, has been completed.

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

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

(3) Development of Infrastructure Projects

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

III. PROSPECTS FOR DEVELOPMENT

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

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

- (2) On the bulk pharmaceutical business, the Group will continue to improve its product mix, accelerate the transformation and implementation of new products; further optimize processes, enhance quality and reduce costs. We will deeply tap into the market potential in America, Europe, and Southeast Asia for commodity bulk pharmaceuticals such as Caffeine, Theophylline, Azithromycin, Metronidazole and Nifedipine, and enhance the level of international business. While facilitating the dual circulation of domestic and international markets, we will closely link preparation enterprises with the Group's supply bulk pharmaceuticals, stress on integrated development features of "bulk pharmaceuticals + preparations", better meet domestic market demands, and continuously enhance the resilience and vitality of its development.
- (3) Regarding the research and development innovation, the Group will continue to push forward the progress of ongoing projects, maintaining advantages in the number, quality, and efficiency of approvals and submissions, and leveraging the Group's flexible talent mechanism and cooperation mechanism with universities and scientific research institutes to accelerate the efficiency of new product development and continuously enhance its innovation capabilities. In the second half of the year, it is planned to submit applications for market launch approval for products of 55 types with 64 specifications, including 38 types with 47 specifications for preparations, and 17 for bulk pharmaceuticals. It is expected to obtain approvals for preparations and bulk pharmaceuticals of 52 specifications, including 35 types with 37 specifications for preparations, and 15 for bulk pharmaceuticals. We will strive to achieve breakthroughs, make new progress, and create new results in key research and development projects in innovative drugs, new improved drugs and complex preparations. In addition, the Group will strengthen the connection between research & development and its transformation into products, striving to create development opportunities with high-quality new products, and continuously empowering enterprises to ascend to the middle to high ends of value chain through innovative results.

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

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

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

Qu Jiguang
Chairman

Hong Kong, 28 August 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

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

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. During the last year ended 31 December 2024, for one tender of Bromhexine Hydrochloride Injection awarded under the National Centralised Procurement, the Group received notices from some provincial GPOs which ranked the credit rating of such tender as under serious breach of trust (details are set out in the Company's announcement dated 14 August 2024) and a public statement published by a national GPO which put Shijiazhuang No. 4 Pharmaceutical Co., Ltd. ("Shijiazhuang No. 4 Pharma", a subsidiary of the Company) onto the "List of Contravention of Provision" and suspended the subsidiary for eligibility for participating in the National Centralised Procurement for a period of six months ended 20 February 2025 (details are set out in the Company's announcement dated 21 August 2024). Several customers commenced legal proceedings against Shijiazhuang No. 4 Pharma and one of its subsidiaries in Anhui, the PRC for claims in a total amount of approximately RMB33.5 million which has been fully recognised in the Group's consolidated statement of profit or loss and other comprehensive income for the last year ended 31 December 2024. For the six months ended 30 June 2025, no further provision for claims is required in the Group's consolidated financial statements. The Company considers that these incidents and the claims have had no material adverse effect on the operations or financial position of the Group as a whole. 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 2025 and up to date of this Interim Report, save as disclosed above, 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 2025 and up to date of this Interim Report, save as disclosed above in the section headed “Relationships with stakeholders”, 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. The Group has set out policies to ensure its production to be in compliance with environmental requirements under the GMP standard and other relevant laws and regulations. For operating practices, the Group persistently adopted measures with low energy consumption and low pollution level, and encouraged its employees to put relevant environmental factors into consideration from time to time. Moreover, the Group has provided a green and eco-friendly working environment for its employees.

FINANCIAL PERFORMANCE REVIEW

Revenue

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

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

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

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

During the first half year of 2025, revenue from ampoule injections accounted for HK\$157,381,000 (30 June 2024: HK\$366,785,000), which decreased by 57% as compared with corresponding period of last year mainly due to drop in revenue from Bromhexine Hydrochloride injection which was no longer sold through the National Centralised Procurement. Revenue from bulk pharmaceuticals accounted for HK\$360,543,000 for the six months ended 30 June 2025 (30 June 2024:

HK\$398,786,000), representing a drop of 9.6% as compared with corresponding period of last year mainly because market price of caffeine has not yet fully recovered from its low level. On the other hand, revenue from oral preparations accounted for HK\$295,732,000 for the six months ended 30 June 2025 (30 June 2024: HK\$254,365,000), representing a growth of 16% as compared to corresponding period of last year which was mainly contributed by growth in Felodipine Sustained-release Tablets, Betahistine Mesylate Tablets, Epalrestat Tablets, Rosuvastatin Calcium Tablets, Cinacalcet Hydrochloride Tablets and other new products of oral preparations.

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

Cost of sales

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

Gross profit margin

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

Other net income

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

Selling and distribution costs

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

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

General and administrative expenses

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

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

Research and development costs

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

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

Profit from operations

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

Net finance costs

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

Income tax expense

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

Profit attributable to equity shareholders

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

Interim dividend

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

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

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

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

As at 30 June 2025, the Group's bank borrowings increased by 10.4% to HK\$4,015,874,000 (31 December 2024: HK\$3,635,931,000), comprising HK\$3,317,773,000 (31 December 2024: HK\$2,435,487,000) of borrowings denominated in RMB and HK\$698,101,000 (31 December 2024: HK\$1,200,444,000) in Hong Kong dollars. Management considers an increase in onshore bank borrowings will benefit the Group as whole due to a lower average bank borrowings interest rate as compared to last year. As at 30 June 2025, all of the Group's bank borrowings were repayable within 5 years, mostly bearing interest at variable rates. 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 26.9% as at 30 June 2025 which was higher than 24.8% as at 31 December 2024 due to increase in onshore bank borrowings. Current ratio (defined as current assets divided by current liabilities) further improved from 2.78 as at 31 December 2024 to 3.12 as at 30 June 2025.

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

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

EMPLOYEES AND REMUNERATION POLICY

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

The overriding objective of the remuneration policy of executive Directors and senior management is to provide the packages needed to attract, retain and motivate executive Directors and senior management of the quality required to run the Company successfully, without paying more than necessary. The remuneration policy of executive Directors and senior management are reviewed and recommended for the Board's approval by the Remuneration Committee. In addition, share options may be granted under the share option schemes of the Company and shares may be granted under the Restricted Share Award Scheme to the executive Directors and senior management.

The remuneration package is reviewed with reference to the Board's corporate goals and objectives, prevailing market practice, duties and responsibilities of the individual executive Director or senior management and his/her contribution to the Group. The objective of remunerating non-executive Directors is to ensure that they are remunerated sufficiently but not excessively for their efforts and time dedicated to the Company.

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

PLEDGE OF ASSETS

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

FOREIGN EXCHANGE RISK

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

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

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

MATERIAL ACQUISITIONS AND DISPOSALS

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

CONTINGENT LIABILITIES

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

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

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

Save for the purchase of 22,700,000 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 or sold any treasury shares of the Company for the six months ended 30 June 2025.

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 date of this Interim Report, granted and unexercised share options to subscribe for 100,000,000 Shares 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. During the period of six months ended 30 June 2025 and up to date of this Interim Report, all of the 100,000,000 share options remain outstanding and exercisable.

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 2025	Year ended 31 December 2024
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	–	–
Outstanding and exercisable at the end of the period/year	100,000,000	100,000,000

The details of share options movements during the six months ended 30 June 2025 are shown as follows:

Directors of the Company

Name of Director	Date of grant	Exercise price per share	Exercisable period	Number of share options			
				Outstanding at 1 Jan 2025	Granted during the period	Exercised during the period	Outstanding at 30 June 2025
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 2025	Granted during the period	Exercised during the period	Outstanding at 30 June 2025
12 Jan 2021	HK\$4.218	12 Jan 2021 – 11 Jan 2026	78,000,000	–	–	78,000,000

As at 30 June 2025, the share options granted under the 2012 Share Option Scheme and remained outstanding had a weighted average exercise price of HK\$4.218 and a remaining contractual life of approximately 0.53 years. Assuming that all share options outstanding as at 30 June 2025 are exercised, the Company will receive proceeds of HK\$421,800,000.

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 2025, the number of share options available for grant under the scheme mandate is 297,268,338 (31 December 2024: 297,268,338) and the Service Provider Sublimit is 29,726,833 (31 December 2024: 29,726,833).

As at 30 June 2025, 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 2024: 297,268,338), which represented approximately 10.13% (31 December 2024: 10.05%) of the total number of issued shares (excluding treasury shares) of the Company as at 30 June 2025 (being 2,934,513,385) (31 December 2024: 2,957,959,385).

As at 30 June 2025, the number of Shares that may be issued in respect of share options granted under all of the share option scheme(s) of the Company (being the 2012 Share Option Scheme only) is 100,000,000 (31 December 2024: 100,000,000), which represented approximately 3.39% (31 December 2024: 3.38%) of the weighted average number of issued shares of the Company for the six months ended 30 June 2025 (being approximately 2,947,778,000) (year ended 31 December 2024: approximately 2,962,512,000).

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 2.05% (31 December 2024: 2.04%) of the total number of issued shares (excluding treasury shares) of the Company as at 30 June 2025 (being 2,934,513,385) (31 December 2024: 2,957,959,385). 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 the six months ended 30 June 2025, no Share has been purchased and held by the Trustee (year ended 31 December 2024: nil), and no Restricted Share has been granted to any Selected Participants pursuant to the Restricted Share Award Scheme (year ended 31 December 2024: nil). Hence, as at 30 June 2025 and date of this Interim Report, the number of Restricted Shares available for grant under the Restricted Share Award Scheme is 3,300,000 Shares (31 December 2024: 3,300,000 Shares), which represented approximately 0.11% (31 December 2024: 0.11%) of the total number of issued shares (excluding treasury shares) of the Company as at 30 June 2025 (being 2,934,513,385) (31 December 2024: 2,957,959,385).

No Restricted Shares were vested, cancelled or lapsed pursuant to the Restricted Share Award Scheme during the six months ended 30 June 2025 and year ended 31 December 2024.

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 2025 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 2025 or at any time during the six months ended 30 June 2025.

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 2025 and as at 30 June 2025 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 2025 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 2025, 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 issued share capital of the Company
Mr. Qu Jiguang	Beneficial owner	Long	291,218,000	9.87%
	Interest in a controlled corporation (Note 1)	Long	877,764,000	29.74%
Mr. Su Xuejun	Beneficial owner	Long	24,416,000	0.83%
Mr. Meng Guo	Beneficial owner (Note 2)	Long	20,000,000	0.68%
Mr. Chow Hing Yeung	Beneficial owner (Note 2)	Long	2,000,000	0.07%

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. These represent the underlying interest in shares of the Company pursuant to share options granted, among others, to Mr. Meng Guo and Mr. Chow Hing Yeung on 12 January 2021 under the 2012 Share Option Scheme. As at 30 June 2025 and up to the date of this Interim Report, all of these share options remain outstanding and exercisable.

Save as disclosed above, as at 30 June 2025, 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 2025 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 PERSONS’ INTERESTS IN THE SHARES

As at 30 June 2025, 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 issued share capital of the Company
Mr. Qu Jiguang	Beneficial owner Interest in a controlled corporation (Note 1)	Long	291,218,000	9.87%
		Long	877,764,000	29.74%
CPCL (Note 1)	Beneficial owner	Long	877,764,000	29.74%
Sichuan Kelun Pharmaceutical Co., Ltd (四川科倫藥業股份有限公司)	Interest in a controlled corporation (Note 2) Beneficial owner	Long	453,600,000	15.37%
		Long	196,532,000	6.66%
Kelun International Development Co., Ltd (科倫國際發展有限公司) (Note 2)	Beneficial owner	Long	453,600,000	15.37%
UBS Group AG	Interest in a controlled corporation	Long	204,947,540	6.94%

Notes:

- 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.
- These shares were registered in the name of and beneficially owned by Kelun International Development Co., Ltd (科倫國際發展有限公司). Kelun International Development Co., Ltd (科倫國際發展有限公司) is held as to 100% by 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 2025.

CORPORATE GOVERNANCE PRACTICES

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

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

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

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

INDEPENDENT REVIEW OF AUDITORS

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

CLOSURE OF REGISTER OF MEMBERS

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

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

On behalf of the Board

Qu Jiguang

Chairman

Hong Kong, 28 August 2025



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 47 to 74 which comprises the consolidated statement of financial position of SSY Group Limited (the “Company”) as of 30 June 2025 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 2025 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG

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

28 August 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2025 (unaudited)

(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2025 HK\$'000	2024 HK\$'000
Revenue	4	2,147,188	3,338,939
Cost of sales		(1,256,837)	(1,495,484)
Gross profit		890,351	1,843,455
Other net income		99,462	51,519
Selling and distribution costs		(353,360)	(758,055)
General and administrative expenses		(130,824)	(140,373)
Research and development costs		(136,257)	(136,516)
Reversal of impairment losses/(impairment losses) on trade, bills and other receivables		1,485	(138)
Other operating expenses		–	(10,609)
Profit from operations		370,857	849,283
Finance income		20,113	23,769
Finance costs		(54,842)	(63,163)
Finance costs – net	5(a)	(34,729)	(39,394)
Share of profit of an associate		12,978	13,762
Profit before taxation	5	349,106	823,651
Income tax	6	(58,909)	(125,865)
Profit for the period		290,197	697,786
Other comprehensive income for the period, net of nil tax			
Items that may be reclassified subsequently to profit or loss: Exchange differences on translation to presentation currency		118,162	(67,494)
Other comprehensive income for the period		118,162	(67,494)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

	Note	Six months ended 30 June	
		2025 HK\$'000	2024 HK\$'000
Total comprehensive income for the period		408,359	630,292
Profit attributable to:			
Equity shareholders of the Company		283,508	685,737
Non-controlling interests		6,689	12,049
Profit for the period		290,197	697,786
Total comprehensive income attributable to:			
Equity shareholders of the Company		396,734	620,566
Non-controlling interests		11,625	9,726
Total comprehensive income for the period		408,359	630,292
Earnings per share	7		
Basic		HK\$0.0962	HK\$0.2312
Diluted		HK\$0.0962	HK\$0.2305

The notes on pages 55 to 74 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 2025 (unaudited)

(Expressed in Hong Kong dollars)

	Note	At 30 June 2025		At 31 December 2024	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current assets					
Property, plant and equipment	8		5,480,875		5,348,764
Right-of-use assets	8		394,834		392,580
Intangible assets	8		1,298,674		1,247,089
Interest in an associate	9		433,054		420,137
Deferred tax assets			53,782		50,179
Pledged bank deposits and time deposits			57,482		84,010
			7,718,701		7,542,759
Current assets					
Inventories	10	1,169,084		1,109,462	
Trade and bills receivables	11	2,119,171		2,226,355	
Prepayments, deposits and other receivables		260,490		220,590	
Trading securities		41,946		34,999	
Pledged bank deposits and time deposits		144,419		211,813	
Cash and cash equivalents		1,338,436		1,257,702	
			5,073,546		5,060,921
Current liabilities					
Borrowings	12	718,938		654,927	
Trade and bills payables	13	384,289		547,618	
Contract liabilities		55,973		50,426	
Lease liabilities		2,331		2,283	
Accruals and other payables		459,772		552,349	
Income tax payable		6,298		13,347	
			1,627,601		1,820,950
Net current assets			3,445,945		3,239,971
Total assets less current liabilities			11,164,646		10,782,730

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2025 (unaudited) (continued)

(Expressed in Hong Kong dollars)

	Note	At 30 June 2025		At 31 December 2024	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current liabilities					
Borrowings	12	3,296,936		2,981,004	
Lease liabilities		298		1,476	
Deferred tax liabilities		12,433		17,571	
Deferred revenue		257,522		247,029	
			3,567,189		3,247,080
NET ASSETS			7,597,457		7,535,650
CAPITAL AND RESERVES					
Share capital	14		65,829		65,966
Reserves			7,204,593		7,154,274
Total equity attributable to equity shareholders of the Company			7,270,422		7,220,240
Non-controlling interests			327,035		315,410
TOTAL EQUITY			7,597,457		7,535,650

Approved and authorised for issue by the board of directors on 28 August 2025.

Qu Jiguang
Director

Su Xuejun
Director

The notes on pages 55 to 74 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2025 (unaudited)

(Expressed in Hong Kong dollars)

	Note	Attributable to equity shareholders of the Company								Non-controlling interests HK\$'000	Total equity HK\$'000
		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		
Balance at 1 January 2024		66,188	9,462	168,557	599,595	67,050	(531,397)	6,553,079	6,932,534	336,158	7,268,692
Changes in equity for the six months ended 30 June 2024:											
Profit for the period		-	-	-	-	-	-	685,737	685,737	12,049	697,786
Other comprehensive income		-	-	-	-	-	(65,171)	-	(65,171)	(2,323)	(67,494)
Total comprehensive income		-	-	-	-	-	(65,171)	685,737	620,566	9,726	630,292
Dividends paid to equity shareholders of the Company	14(a)	-	-	-	-	-	-	(296,904)	(296,904)	-	(296,904)
Dividends paid by subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	(32,326)	(32,326)
Acquisition of non-controlling interests in a subsidiary		-	-	(4,016)	-	-	-	-	(4,016)	4,016	-
Balance at 30 June 2024 and 1 July 2024		66,188	9,462	164,541	599,595	67,050	(596,568)	6,941,912	7,252,180	317,574	7,569,754
Changes in equity for the six months ended 31 December 2024:											
Profit for the period		-	-	-	-	-	-	375,413	375,413	2,409	377,822
Other comprehensive income		-	-	-	-	-	(125,568)	-	(125,568)	(4,573)	(130,141)
Total comprehensive income		-	-	-	-	-	(125,568)	375,413	249,845	(2,164)	247,681
Dividends paid to equity shareholders of the Company	14(a)	-	-	-	-	-	-	(237,222)	(237,222)	-	(237,222)
Purchase and cancellation of own shares	14(b)	(222)	(9,462)	(2,494)	-	-	-	(32,385)	(44,563)	-	(44,563)
Transfer to statutory reserve		-	-	-	61,103	-	-	(61,103)	-	-	-
Balance at 31 December 2024		65,966	-	162,047	660,698	67,050	(722,136)	6,986,615	7,220,240	315,410	7,535,650

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2025 (unaudited) (continued)

(Expressed in Hong Kong dollars)

	Attributable to equity shareholders of the Company							Total	Non-controlling interests	Total equity	
	Note	Share capital	Share premium	Capital reserve	Statutory reserve	Share-based payment reserve	Currency translation differences				Retained earnings
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		65,829	-	118,684	660,698	67,050	(608,910)	6,967,071	7,270,422	327,035	7,597,457

The notes on pages 55 to 74 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2025 (unaudited)

(Expressed in Hong Kong dollars)

	Six months ended 30 June		
	Note	2025 HK\$'000	2024 HK\$'000
Operating activities			
Cash generated from operations		296,504	615,165
Interest paid		(58,452)	(62,045)
Income tax paid		(74,275)	(230,202)
Net cash generated from operating activities		163,777	322,918
Investing activities			
Payment for property, plant and equipment		(134,897)	(178,972)
Payment for land use rights		(1,745)	(14,762)
Payment for intangible assets		(78,317)	(97,169)
Payment for purchase of trading securities		–	(45,985)
Decrease/(increase) in time deposits		85,452	(28,429)
Interest received		23,637	13,074
Government grant received related to property, plant and equipment		22,218	50,004
Dividend received from an associate		6,655	13,214
Other cash flows arising from investing activities		1,243	1,023
Net cash used in investing activities		(75,754)	(288,002)

The notes on pages 55 to 74 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2025 (unaudited) (continued)

(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2025 HK\$'000	2024 HK\$'000
Financing activities			
Payments for repurchase of own shares of the Company	14(b)	(66,196)	–
Capital element of lease rentals paid		(1,130)	(1,082)
Interest element of lease rentals paid		(66)	(113)
Proceeds from borrowings		1,217,759	804,301
Repayments of borrowings		(878,240)	(542,889)
Dividends paid to equity shareholders of the Company	14(a)	(280,356)	(296,904)
Dividends paid by subsidiaries to non-controlling interests		–	(32,326)
Net cash used in financing activities		(8,229)	(69,013)
Net increase/(decrease) in cash and cash equivalents		79,794	(34,097)
Cash and cash equivalents at 1 January		1,257,702	1,615,208
Effect of foreign exchanges rates changes		940	(16,576)
Cash and cash equivalents at 30 June		1,338,436	1,564,535

The notes on pages 55 to 74 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 28 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 3.

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

2 BASIS OF PREPARATION *(continued)*

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

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG’s independent review report to the Board of Directors is included on pages 45 to 46.

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

3 CHANGES IN ACCOUNTING POLICIES

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

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

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

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

	Six months ended 30 June 2025			
	Intravenous infusion solution and others <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	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				
Finance income	369,240	11,001	(9,384)	370,857
Finance costs	19,114	240	759	20,113
Share of profit of an associate	(34,463)	–	(20,379)	(54,842)
	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)

Six months ended 30 June 2024

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

4 REVENUE AND SEGMENT REPORTING *(continued)*

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

	At 30 June 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>
Reportable segment assets	12,062,699	573,240	156,308	12,792,247
Reportable segment liabilities	3,938,923	43,888	1,211,979	5,194,790

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

5 **PROFIT BEFORE TAXATION**

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

(a) **Finance income and costs**

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

5 PROFIT BEFORE TAXATION (continued)

(b) Staff costs

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

(c) Other items

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

[#] Cost of inventories includes HK\$324,425,000 (six months ended 30 June 2024: HK\$362,844,000) relating to staff costs, depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in note 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	
	2025	2024
	HK\$'000	HK\$'000
Current tax – PRC corporate income tax (“CIT”)	67,088	137,254
Deferred taxation	(8,179)	(11,389)
	58,909	125,865

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

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

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

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\$283,508,000 for the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$685,737,000) and the weighted average number of 2,947,778,000 ordinary shares (six months ended 30 June 2024: 2,965,743,000 ordinary shares) in issue during the interim period.

(b) Diluted earnings per share

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

Weighted average number of ordinary shares (diluted)

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

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 2025, the Group acquired items of property, plant and equipment, and intangible assets with costs of HK\$246,690,000 and HK\$85,396,000, respectively (six months ended 30 June 2024: HK\$620,686,000 and HK\$104,082,000, respectively).

Items of plant and equipment with a carrying amount of HK\$4,677,000 were disposed of during the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$5,531,000), resulting in a gain on disposal of HK\$40,000 (six months ended 30 June 2024: a gain on disposal of HK\$417,000) recognised in the reporting period.

During the six months ended 30 June 2025, the Group acquired items of right-of-use assets with costs of HK\$1,745,000 (six months ended 30 June 2024: HK\$14,762,000).

(b) During the six months ended 30 June 2025, 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\$15,647,000 (six months ended 30 June 2024: HK\$12,378,000) were recognised for intangible assets.

9 INTEREST IN AN ASSOCIATE

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Cisen Pharmaceutical Co., Ltd.* (“Cisen”) 辰欣藥業股份有限公司	433,054	420,137

* 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.

9 INTEREST IN AN ASSOCIATE *(continued)*

As at 30 June 2025, the following list contains the particulars of the associate, which is a listed corporate entity whose quoted market price is available:

Name of associate	Form of business structure	Place of incorporation and business	Particulars of issued and paid-up capital	Proportion of ownership interest			Principal activity
				Group's effective interest	Held by the Company	Held by a subsidiary	
Cisen Pharmaceutical Co., Ltd. <i>(Note)</i>	Incorporated	The PRC	452,765,000 ordinary shares	6.11%	–	6.11%	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 2025, the quoted market price of Cisen's share was RMB14.02 per share and the market value of the Group's investment in Cisen was approximately RMB388 million (equivalent to approximately HK\$425 million).

During the six months ended 30 June 2025, the Group received dividends of HK\$6,655,000 (six months ended 30 June 2024: HK\$13,214,000) from Cisen.

10 INVENTORIES

Inventories in the consolidated statement of financial position comprise:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Raw materials	510,634	506,042
Work in progress	46,741	38,724
Finished goods	611,709	564,696
	1,169,084	1,109,462

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

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

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

12 BORROWINGS

As of the end of the reporting period, the borrowings were repayable as follows:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Within 1 year or on demand	718,938	654,927
After 1 year but within 2 years	2,153,624	1,379,828
After 2 years but within 5 years	1,143,312	1,601,176
	3,296,936	2,981,004
	4,015,874	3,635,931

As of the end of the reporting period, the borrowings were secured as follows:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Bank borrowings – unsecured	4,015,874	3,635,931

As at 30 June 2025, none of the Group's borrowings were secured (31 December 2024: nil).

The Group's drawn down bank facilities of HK\$2,389,832,000 (31 December 2024: HK\$2,594,501,000) 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 2025, 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 2025 HK\$'000	31 December 2024 HK\$'000
Within 3 months	266,082	284,273
4 to 6 months	101,893	244,241
7 to 12 months	13,118	11,328
More than 1 year	3,196	7,776
	384,289	547,618

14 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

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

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

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

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

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

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

(b) Purchase and cancellation of own shares

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

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

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

(c) Share option scheme

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

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

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 2025 HK\$'000	Fair value measurements as at 30 June 2025		
		Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
Recurring fair value measurements				
Financial assets:				
Fair value through profit or loss				
– Trading securities	41,946	41,946	–	–
Fair value through other comprehensive income				
– Bills receivable	166,527	–	166,527	–

	Fair value at 31 December 2024 HK\$'000	Fair value measurements as at 31 December 2024		
		Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
Recurring fair value measurements				
Financial assets:				
Fair value through profit or loss				
– Trading securities	34,999	34,999	–	–
Fair value through other comprehensive income				
– Bills receivable	135,461	–	135,461	–

During the six months ended 30 June 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2024: 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 2025 and 31 December 2024.

16 COMMITMENTS

Capital commitments outstanding not provided for:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Contracted for	535,659	561,838

17 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Salaries and other benefits	6,229	5,711
Discretionary bonus	–	9,000
	6,229	14,711

(b) Related party transactions

During the six-month periods ended 30 June 2025 and 30 June 2024, the directors are of the view that the following companies are related parties:

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

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	
	2025 HK\$'000	2024 <i>HK\$'000</i>
Sales of goods to Kelun Group	30,217	41,969
Sales of goods to Cisen	1,836	6,816
Purchase of pharmaceutical materials from Kelun Group	89,398	94,858
Purchase of products manufacturing and transportation services from Kelun Group	18,467	13,103
Purchase of research and development services from Kelun Group	1,481	221

18 EVENTS AFTER THE REPORTING PERIOD

On 28 August 2025, the board of directors resolved to declare an interim dividend of HK5.0 cents per ordinary share (see note 14(a)).