CORPORATE GOVERNANCE REPORT

The board of directors (the "Board") of SSY Group Limited (the "Company") is pleased to present this corporate governance report for the year ended 31 December 2025 (the "Corporate Governance Report").

The Board is committed to maintaining a high standard of corporate governance. The Board believes that good corporate governance practices are essential for the growth of the Group and for safeguarding and maximizing shareholders' interests. The Board reviews its corporate governance practices from time to time in order to meet the stakeholders' expectations and comply with the latest regulatory requirements, and to fulfill its commitment to a high standard of corporate governance.

CORPORATE GOVERNANCE CODE

The Company has complied with all applicable code provisions for financial year commencing on 1 January 2025 (the "Code Provision") of the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 December 2025, except for the deviation from Code Provision C.2.1 as follows:

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

CORPORATE CULTURE

The Company is committed to a corporate culture of "Satisfy people with quality based on honesty（以質愛民,誠信為本）". Our mission is to produce good medicines for human, with a vision of leading green pharmaceuticals by technology for a healthier and better life. We embrace our values as we operate our business, and they serve as a guide for employees' conduct and behaviours.

The Board takes the lead in shaping the corporate culture and reviews it from time to time. The management is responsible for implementing the Board's direction on corporate culture to enable our staff and stakeholders to understand the corporate culture while integrating it into the Company's decisions and actions and day-to-day operations by reflecting it in various policies of the Company, which are under review by the Board. Taking into account the corporate culture in a range of contexts, including but not limited to workforce management (such as staff recruitment, employee retention and training, health and safety), legal and regulatory compliances (such as emission management, anti-corruption and whistleblowing), and internal control and risk management, the Board considers the purpose, values and strategy are aligned with the corporate culture of the Company.

BOARD OF DIRECTORS

As at 31 December 2025, the Board comprises (i) five executive Directors, namely, Mr. Qu Jiguang (Chairman), Mr. Su Xuejun, Mr. Meng Guo, Mr. Chow Hing Yeung and Ms. Qu Wanrong, (ii) one non-executive Director, namely, Mr. Liu Wenjun and (iii) three independent non-executive Directors, namely, Mr. Wang Yibing, Mr. Chow Kwok Wai and Mr. Jiang Guangce (the "Directors").

BOARD OF DIRECTORS *(Continued)*

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic direction and performance. All policy matters of the Group, material transactions or transactions where there is conflict of interests are reserved for the Board's decisions. The Board is responsible for reviewing and monitoring the training and continuous professional development of directors and senior management, and the code of conduct applicable to employees and the Directors. The Board is also responsible for reviewing and monitoring the policies and practices on compliance with legal and regulatory requirements of the Company, the compliance with the CG code and disclosure in the Corporate Governance Report, and the effective governance and oversight of the Environmental, Social and Governance ("ESG") matters including assessment and management of material environmental and social risks as well as the disclosure in the ESG Report in accordance with the ESG Reporting Guide set out in Appendix C2 to the Listing Rules.

The Board appointed Mr. Qu Jiguang as the Chairman, who has the principal role of providing the leadership for and effective running of the Board. Other roles and responsibilities of the Chairman include approving the agenda of board meetings, ensuring all Directors are properly briefed on issues arising at board meetings and have received information which is adequate, accurate and complete in a timely manner, ensuring good corporate governance and effective shareholder communication practices and procedures, encouraging all Directors to make full and active contributions to the Board's affairs as well as promoting a culture of openness for contribution by non-executive Directors.

The Board collectively possesses the skills, experience and expertise in the fields of pharmaceutical industry, auditing, accounting and financial management, corporate finance, public relations and corporate communication, research and industry regulation, capital market and investment. Each Director's relevant skills, professions and experiences are disclosed in their biographical information under "Biographical Details of Directors and Senior Management" of this Annual Report. The Directors are considered to have a balance of skills and experiences appropriate for the requirements of the business of the Company, and have devoted sufficient time and make contributions to the Company based on their roles and responsibilities. Save as disclosed under "Biographical Details of Directors and Senior Management", there are no financial, business, family and other material or relevant relationships among members of the Board.

The Board is aware of the requirement under the CG code for financial years commencing on or after 1 July 2025 to conduct the Board's performance review at least once every two years. For the year ended 31 December 2025, no Board's performance review was conducted. The Board is in the progress of assessment of how the Board's performance is to be evaluated and the desired performance objectives for the Board's performance review to be conducted no later than year 2027.

The Board has delegated the day-to-day responsibility for the management of the Group's business to the management. The Board has given clear directions as to the powers of management, in particular, with respect to the circumstances where management should report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company. As explained above under the heading "CORPORATE GOVERNANCE PRACTICES", Mr. Qu Jiguang, the Chairman of the Board, 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.

In addition, the Board has also delegated various responsibilities to the Nomination Committee, the Remuneration Committee and the Audit Committee of the Company (the "Board Committees"). The terms of reference of the Board Committees are available at the Company's website and the website of The Stock Exchange of Hong Kong Limited. Further details of the Board Committees, among others, their roles and functions are set out in the later parts of this report. The Company reviews the appropriateness of these delegation arrangements periodically in view of the Company's needs.

BOARD OF DIRECTORS *(Continued)*

Appropriate directors' and officers' liability insurance has been arranged for the Directors and Officers of the Company.

There are sufficient numbers of independent non-executive Directors in the Company, among which, Mr. Chow Kwok Wai is a certified public accountant. During the year ended 31 December 2025 and up to date of this Corporate Governance Report, there was no change which may affect the independence of independent non-executive Directors of the Company.

During the year ended 31 December 2025, a total of four board meetings and one annual general meeting ("AGM") were held and the attendance of each Director was in the table below. All the independent non-executive Directors, being the chairmen of the Board Committees, and the non– executive Director have attended the AGM held during the year ended 31 December 2025.

	Number of meetings attended/ held within Director's service period	
Name of Director	**Board meetings**	**AGM**
Executive Directors		
Mr. Qu Jiguang *(Chairman)*	4/4	1/1
Mr. Su Xuejun	4/4	1/1
Mr. Meng Guo	4/4	1/1
Mr. Chow Hing Yeung	4/4	1/1
Ms. Qu Wanrong	4/4	1/1
Non-executive Director		
Mr. Liu Wenjun	4/4	1/1
Independent non-executive Directors		
Mr. Wang Yibing	4/4	1/1
Mr. Chow Kwok Wai	4/4	1/1
Mr. Jiang Guangce	4/4	1/1

During the year ended 31 December 2025, Mr. Qu Jiguang, the Chairman of the Board, held one meeting with all independent non-executive Directors without the presence of other directors.

The Company ensures that all Directors are participating in board proceedings in a meaningful and effective manner. Notice of at least 14 days are served to all Directors of a regular board meeting. For all other board meetings and committee meetings, reasonable notice is generally given. Agendas and accompanying board papers and related materials are normally sent to all Directors at reasonable time before the intended date of meetings to enable them to make informed decisions and perform their duties. All Directors are given the opportunity to contact the Company Secretary to include matters in the agenda for regular board meeting, and have separate and independent access to the senior management of the Company whenever necessary.

BOARD OF DIRECTORS *(Continued)*

Minutes of board meetings and meetings of board committees (i.e. Nomination Committee, Remuneration Committee and Audit Committee) of the Company were kept by Company Secretary and such minutes are open for inspection at reasonable time and on reasonable notice by any Director. Such minutes were recorded in sufficient detail the matters considered by the board and decisions reached. Draft and final versions of such minutes were sent to all directors for their comment and record respectively within a reasonable time after the board meeting was held.

All directors have access to the advice and services of the Company Secretary with a view to ensuring that board procedures, and all applicable rules and regulations, are followed. The Company has a procedure to enable the Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expense.

If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter shall be discussed by a physical board meeting rather than a written resolution. Independent non-executive Directors who, and whose close associates, have no material interest in the transaction shall be present at such Board meeting.

BOARD DIVERSITY

The Company has adopted a board diversity policy which sets out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board. Pursuant to the policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service.

Taking into account the characteristics of the pharmaceutical industry, the Group's current situation and the feasibility of measurable objectives related to various factors, the Board has set out the measurable objectives as follows:

1. the Board comprises director(s) who has/have professional qualifications or relevant experience in one of non-pharmaceutical fields such as accounting, legal or investment industry;

2. the Board comprises executive director, non-executive director and independent non-executive director; and

3. at least one director with a gender different from the single gender board is appointed.

During the year ended 31 December 2025 and up to date of this Corporate Governance Report, all of the above measurable objectives have been achieved.

To ascertain the progress made towards achieving the objective of Board diversity, the Board has delegated the responsibility to the Nomination Committee to review of the implementation and effectiveness of the board diversity policy, including but limited to ensuring the measurable objectives' appropriateness and considering any new measurable objectives, from time to time with at least once a year to ensure its continued effectiveness and its compliance with all applicable rules and regulations, including but not limited to the Listing Rules, and the Nomination Committee is responsible for making recommendations on any proposed changes to the Board. During the year ended 31 December 2025, the Nomination Committee reviewed the board diversity policy and the measurable objectives to assess their implementation and effectiveness, and considered that they remain effective.

BOARD DIVERSITY *(Continued)*

Apart from different skills, professions and experiences possessed by the Directors which are disclosed in their biographical information under "Biographical Details of Directors and Senior Management" of this Annual Report, the Board composition reflects a diverse mix of designation, gender, age and length of service. The diversity mix of the Board as at 31 December 2025 is summarised as follows:

	Number of Directors	Share of the Board
Designation		
Executive director	5	56%
Non-executive director	1	11%
Independent non-executive director	3	33%
Gender		
Male	8	89%
Female *(Note 1)*	1	11%
Age Group		
41-50	2	22%
51-60	5	56%
61-70	1	11%
Over 70	1	11%
Length of service (up to date of this Corporate Governance Report)		
0-3 years	2	22%
4-9 years	3	33%
Over 9 years *(Note 2)*	4	45%

Note:

1. The Board currently has only one female Director out of nine Directors, and targets to maintain at least the current level of female representation and may adjust the proportion of female directors over time as and when appropriate.

2. Among the Directors who have served more than 9 years, two of them are independent non-executive directors (INEDs). The Board is aware of the requirement under the Listing Rule in relation to the tenure of INEDs by the first annual general meeting held on or after 1 July 2028. The Company targets to conduct comprehensive succession planning to allow sufficient time for the recruitment of suitable replacement INEDs.

NOMINATION, APPOINTMENTS AND RE-ELECTION OF DIRECTORS

The appointment and re-election of Directors shall be made in accordance with the Company's Articles of Association and other applicable rules and regulations, including but not limited to the Listing Rules. In addition, the Company has established a nomination policy with the objectives of setting out the key selection criteria, principles and procedures of appointments and re-election of directors. The factors used as reference by the Nomination Committee in assessing the suitability of a proposed candidate includes reputation for integrity, skills and knowledge, experience in pharmaceutical industry, commitment in respect of available time as well as age, culture, ethnicity and gender diversity of the Board. The candidate to be nominated as an independent non-executive Director must satisfy the independence criteria set out in the Listing Rules. Where applicable, the totality of the candidate's education, qualifications and experience shall also be evaluated for filling the office of an independent non-executive Director. All these criteria are for reference only and are not meant to be exhaustive or decisive, and the Board shall take into consideration the board diversity policy of the Company when selecting Board candidates. The Nomination Committee will monitor the implementation of and from time to time review the nomination policy, as appropriate, to ensure the effectiveness of it.

NOMINATION, APPOINTMENTS AND RE-ELECTION OF DIRECTORS *(Continued)*

Regarding nomination procedures, the Company Secretary shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee. The Nomination Committee may also put forward candidates who are not nominated by Board members. After the Nomination Committee makes its recommendations to the Board, the Board has the authority on approving the nomination of the candidate and the appointment of Directors. Details of the candidate including the names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information should be provided for consideration by the Nomination Committee, the Board and/or the shareholders in the general meeting. For shareholders' nomination of any proposed person for election as a Director, shareholders should lodge a notice with the Company proposing a person for election as a Director at a general meeting and please refer its procedures to the section headed "SHAREHOLDERS' RIGHTS" in this report.

Subject to the requirement of retirement from office by rotation pursuant to the Articles of Association of the Company as set out in the next paragraph, each of non-executive Director and independent non-executive Directors has entered into a service contract with the Company for a term of three years, and executive Directors has entered into a service contract with the Company for a specific term (usually three years) which may be extended as each Director and the Company may agree. Key terms and conditions of the Director's appointment are set out in the service contract or formal letter of appointment for the Director.

At each annual general meeting, one-third of the Directors (including non-executive Director and independent non-executive 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 each Director shall be subject to retirement at least once every three years. Also, the Directors appointed as an addition to the Board shall be subject to re-election by the shareholders at the first general meeting after their appointment.

TRAINING FOR DIRECTORS

All Directors are provided with monthly updates on the Company's key financial performance, and are provided with relevant materials in relation to the Group's financial, internal control and risk management matters for review before attending meetings, necessary to enable the Board as a whole and each Director to discharge their duties. In addition, all Directors are encouraged to participate in continuous professional development ("CPD") activities (such as seminars, conferences and briefings) to develop and refresh their knowledge and skills. Each year, the Company provided all Directors materials and at least once in-house training seminar for updates on the latest developments in relation to the roles of the Board, duties of a director, corporate governance and ESG, risk management and internal controls, and the Listing Rules and other legal and regulatory requirements. The Directors also have opportunities to conduct site visits to the operation base of the Group.

For newly appointed directors, a comprehensive induction on appointment and subsequent continuous professional development are arranged to ensure that they properly understand the Group's business and the statutory and regulatory obligation of a director under the Listing Rules and relevant regulatory requirements.

TRAINING FOR DIRECTORS *(Continued)*

During the year ended 31 December 2025, all Directors have attended the in-house training seminar conducted by an external legal advisor. All Directors also attended various meetings and/or read materials to keep abreast of current issues facing the Group and industry-related updates. All Directors have provided the records of training they received during the year ended 31 December 2025 to the Company Secretary of the Company (the "Company Secretary"), and have confirmed that they have attended adequate and appropriate CPD activities summarized as follows:

Name of Director	Attending seminars/ conferences/ in-house training	Reading materials relevant to the Group and industry	Total hours of CPD activities
Executive Directors			
Mr. Qu Jiguang *(Chairman)*	✔	✔	22
Mr. Su Xuejun	✔	✔	22
Mr. Meng Guo	✔	✔	22
Mr. Chow Hing Yeung	✔	✔	45
Ms. Qu Wanrong	✔	✔	>10
Non-executive Director			
Mr. Liu Wenjun	✔	✔	26
Independent non-executive Directors			
Mr. Wang Yibing	✔	✔	>10
Mr. Chow Kwok Wai	✔	✔	48
Mr. Jiang Guangce	✔	✔	>10

COMPANY SECRETARY

All Directors have access to the advice and services of the Company Secretary who is a full time employee of the Company and has day-to-day knowledge of the Company's affairs. During the year, the Company Secretary had taken no less than 15 hours of relevant professional training requirement, in compliance with Rule 3.29 of the Listing Rules.

NOMINATION COMMITTEE

The Board has established the Nomination Committee. Ms. Qu Wanrong, an executive Director of the Company, has been appointed as a member of the Nomination Committee with effect from 20 June 2025. As at 31 December 2025, the Nomination Committee is chaired by Mr. Wang Yibing (independent non-executive Director) and with committee members of Mr. Chow Kwok Wai (independent non-executive Director), Mr. Jiang Guangce (independent non-executive Director) and Ms. Qu Wanrong (executive Director).

NOMINATION COMMITTEE *(Continued)*

The roles and functions of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board taking into account the Company's board diversity policy, making recommendations on any proposed changes to the Board, identifying candidates and/or making recommendations to the Board on candidates nominated for directorships taking into account the Company's nomination policy as well as reviewing the Company's board diversity policy and nomination policy from time to time to ensure their continued effectiveness and their compliance with all applicable rules and regulations. In accordance with the CG Code which came into effect on 1 July 2025, the Nomination Committee is also responsible for assisting the Board in maintaining a board skills matrix and reviewing the time commitment and contribution to the Board by each Director.

Meeting of the Nomination Committee shall be held at least once a year. One meeting was held during the year ended 31 December 2025. The Board composition, the Company's board diversity policy and nomination policy were reviewed during the meeting. The Board diversity was considered achieved considering multiple measurable objectives including but not limited to skills, experience and expertise, cultural and educational background, age, gender and length of service. In addition, the Directors are considered to have a balance of skills and experiences appropriate for the requirements of the business of the Company and have devoted sufficient time and make contributions to the Company based on their roles and responsibilities. The attendance of each member at the meeting was as follows:

Name of committee members	Number of meetings attended/ held within Director's service period
Mr. Wang Yibing	1/1
Mr. Chow Kwok Wai	1/1
Mr. Jiang Guangce	1/1
Ms. Qu Wanrong	1/1

REMUNERATION COMMITTEE

The Board has established the Remuneration Committee. As at 31 December 2025, the Remuneration Committee is chaired by Mr. Jiang Guangce and with committee members of Mr. Wang Yibing and Mr. Chow Kwok Wai, all of them being independent non-executive Directors.

The principal roles and functions of the Remuneration Committee is the formulation, review and recommendation to the Board on the Company's policy and structure for all Directors and senior management remuneration and on the establishment of a formal and transparent policy on their remuneration.

Other roles and functions of the Remuneration Committee include consulting the Chairman of the Board about their remuneration proposals for other executive Directors and senior management, reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives, making recommendations to the Board on the remuneration packages of individual executive Director and senior management (including benefits in kind, pension rights and compensation payments), making recommendations to the Board on the remuneration of non-executive Directors, reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules, approving the grant of share options and share awards to eligible participants pursuant to the share schemes of the Company, approving and making recommendations to the Board on the terms of the Directors' service contracts and compensation arrangement relating to termination, dismissal or removal of the Directors, and ensuring that no Director or his/her associates is involved in deciding that Director's own remuneration.

REMUNERATION COMMITTEE *(Continued)*

Meeting of the Remuneration Committee shall be held at least once a year. One meetings was held during the year ended 31 December 2025. Remuneration paid to the Directors and the remuneration policy of the Directors and senior management of the Company were reviewed during the meeting. The attendance of each member was as follows:

Name of committee members	Number of meetings attended/ held within Director's service period
Mr. Jiang Guangce	1/1
Mr. Wang Yibing	1/1
Mr. Chow Kwok Wai	1/1

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 Scheme 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. Remuneration packages of executive Directors comprise base salary, performance bonus and fringe benefits including the provident fund, medical insurance and other miscellaneous benefits. All the Directors are entitled to participate in the Share Option Scheme of the Company. The emolument payable to Directors depends on their respective contractual terms under the service contract with the Company, and as recommended by the Remuneration Committee. Details of the remuneration of the Directors and individuals with highest emoluments are set out in note 8 and note 9 to the financial statement respectively.

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. Every of the non-executive Directors has entered into a service contract with the Company for an initial term of 3 years commencing from the appointment date. The annual emolument is HK$228,000 for each of the independent non-executive Directors, namely Mr. Wang Yibing, Mr. Chow Kwok Wai and Mr. Jiang Guangce, and for the non-executive Director, namely Mr. Liu Wenjun.

AUDIT COMMITTEE

The Board has established the Audit Committee, comprising three independent non-executive Directors. As at 31 December 2025, the Audit Committee is chaired by Mr. Chow Kwok Wai who is a certificated public accountant and the committee members are Mr. Wang Yibing and Mr. Jiang Guangce. No member of the Audit Committee is a member of the former or the existing auditor of the Company.

The principal roles and functions of the Audit Committee are to provide the Board an independent oversight of the financial reporting, internal control and risk management systems of the Group and to maintain an appropriate relationship of the Company's external auditors.

AUDIT COMMITTEE *(Continued)*

Other roles and functions of the Audit Committee include reviewing the Group's financial information, financial controls as well as the internal control and risk management systems, making recommendations to the Board on the appointment, reappointment and removal of the external auditor, reviewing and monitoring the external audit and internal control review processes, and reviewing the Company's policies and practices on corporate governance, anti-corruption and anti-bribery as well as whistleblowing for making recommendations on any proposed changes to the Board.

According to its terms of reference, meetings of the Audit Committee shall be held at least twice a year. Two meetings had been held during the year ended 31 December 2025. The attendance of each member was as follows:

Name of committee members	Number of meetings attended/ held within Director's service period
Mr. Chow Kwok Wai	2/2
Mr. Wang Yibing	2/2
Mr. Jiang Guangce	2/2

During the above meetings and throughout the year ended 31 December 2025 in performing its duties, the work performed by the Audit Committee included:

(a) reviewed, among other things, the report by the internal control consultant and the financial statements, significant accounting policies and judgements of the Group contained in the Annual Report and the Interim Report with liaison with the Company's senior management and/or the external auditor before submission to the Board;

(b) met with the external auditor to discuss the audit approach and audit findings twice a year; and

(c) reviewed the external auditor's independence and effectiveness of its audit service, and recommended to the Board, for the approval by shareholders, of the re-appointment of the external auditor and approval of its remuneration.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities (as set out in page 91 of this Annual Report under the section headed "Independent Auditor's Report") for overseeing the preparation of the financial statements of the Group that give a true and fair view of the state of affairs of the Group and of the financial results and cash flows for that reporting period. The management provides to the Board monthly updates of the Group's financial position and any other supplementary information giving a balanced and understandable assessment of the Group's performance, position and prospects so as to enable the Board to discharge its duties. The management also provides to the Board sufficient explanation and information so as to enable the Board to make an informed assessment of the financial and other information put before the Board for approval. The Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern and the Board has prepared the financial statements on a going concern basis. The responsibility of the external auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the shareholders of the Company. A statement by the auditor about their reporting responsibilities is included in the Independent Auditor's Report.

AUDITOR'S REMUNERATION

The fees paid and payable to the Company's auditor, KPMG, in respect of audit services and non-audit services for the year ended 31 December 2025 amounted to approximately HK$3,004,000 (2024: HK$3,297,000) and HK$Nil (2024: HK$Nil) respectively.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for overseeing the risk management and internal control systems of the Group. The systems include a defined management structure with limits of authority, and are designed to enable the Board to identify, evaluate and manage significant risks (including ESG risks) so as to manage rather than eliminate the risk of failure to achieve its business objectives, provide reasonable but not absolute assurance against material misstatement or loss, safeguard its assets and shareholders' interests, and ensure compliance with applicable laws and regulations. The Group has established policies which set out internal control procedures in respect of inside information (as set out below under the heading "HANDLING OF INSIDE INFORMATION") anti-corruption, anti-bribery and whistleblowing (as set out below under the heading "ANTI-CORRUPTION AND WHISTLEBLOWING"), connected transactions/continuing connected transactions and other key risk areas. Detailed policies and/or procedures in individual departments and functions are established for, including but limited to budgeting, information reporting, performance monitoring, whistleblowing by employees and stakeholders as well as anti-corruption and fraud prevention, so as to implement the Group's risk and internal control systems and achieve their objectives.

The Board conducts annual review of the effectiveness of the risk management and internal control systems of the Company and its subsidiaries and, in particular, ensures the adequacy of financial and human resources in performance and reporting of the Company's accounting, financial and ESG functions. Having assessed the current situation of the Group including the changes in its operation size, business nature, industry environment and other significant risks (including ESG risks) since last annual review, and resources required for setting up in-house internal audit, the Board considered so far the engagement of one of the big four accounting firms as internal control consultant is in the best interests of the Company. The internal control consultant identifies and examines key issues in relation to the control environment, risk management, control activities, information and communication, compliance management, and selected key operational and financial processes based on risk assessment results. The internal consultant then provides findings and recommendations for improvement in the form of a review report, which is reported to the Audit Committee for making recommendation to the Board on the effectiveness of the risk management and internal control systems. Suggestions proposed in the review are also considered by the Board for improving the Company's internal control measures and resolve material internal control defects, if any.

For the year ended 31 December 2025, a review on the effectiveness of the risk management and internal control systems of the Company has been conducted by the Board. Based on the information provided by the internal control consultant and its own observations and assessments, the Board concluded that the risk management and internal control systems are effective and adequate.

HANDLING OF INSIDE INFORMATION

The Group has established policy and procedures on handling and dissemination of inside information which sets out guidelines to the directors, officers and all relevant employees of the Group to ensure inside information of the Company is to be disseminated to the public in equal and timely manner in accordance with the Securities and Futures Ordinance, the Listing Rule and all other applicable laws and regulations. The Company has established written guidelines to the directors, officers and all relevant employees of the Company and its subsidiaries on assessing whether material information that comes to their knowledge is inside information and escalating such information for the attention of the Board promptly. The Company discloses information and publish announcements in compliance with the Listing Rules and other relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, accurate and complete.

ANTI-CORRUPTION AND WHISTLEBLOWING

The Group strictly prohibits any form of bribery or corruption, and is committed to acting professionally, fairly and with integrity in all of its business dealings and relationships wherever the Group operates and implementing and enforcing effective systems to counter bribery and corruption. The Group is committed to conduct all of its business in an honest, transparent and ethical manner. The Group has established policies and systems that promote and support the applicable laws and regulations on anti-corruption including but not limited to the Criminal Law and the Anti-Unfair Competition Law of the People's Republic of China and the Prevention of Bribery Ordinance (Cap. 201) of the Laws of Hong Kong. The Company's anti-corruption and anti-bribery policy aims to (i) set out the Group's responsibilities and of those working for and on the Group's behalf, in observing and upholding the Group's position, and (ii) provide information and guidance on how to recognise and deal with bribery and corruption issues. The Group has also established whistleblowing policy which aims to (i) provide reporting channels and guidance on reporting possible improprieties, and reassurance to persons reporting his/her concerns (the "Whistle-blowers") of the protection against unfair disciplinary action or victimization for any genuine reports made, and (ii) allow fair and independent investigation of the above-mentioned matters and appropriate follow-up actions. Under the Company's whistleblowing policy, every report shall be made in person or in writing either by email accessed by the audit committee of the Company (the "Audit Committee") or by post to the Audit Committee. Based on different scenarios, the Audit Committee shall then determine the course of action to pursue, with power to delegate, with respect to the report. If the concern involves the Audit Committee, the Whistle-blowers may take the complaint direct to the chairman of the board of directors of the Company.

The above policies on anti-corruption and whistleblowing of the Company applies to all employees (including temporary or contract staff), officers and directors of the Group as well as external third parties who deal with the Group (including but not limited to customers, suppliers and consultants).

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code"). Having made specific enquiry by the Company, all Directors confirmed that they had complied with the required standard set out in the Model Code during the year ended 31 December 2025.

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

SHAREHOLDERS' RIGHTS

(1) Procedures for shareholders to convene an EGM

In accordance with the Company's Article 58, the shareholders of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting ("EGM") to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within 2 months after the deposit of such requisition.

The written requisition must state the purposes of the meeting, signed by the requisitionists and deposit it to the Board or the Company Secretary at the Company's principal place of business in Hong Kong at Rooms 4902-03, 49th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

SHAREHOLDERS' RIGHTS *(Continued)*

(1) Procedures for shareholders to convene an EGM *(Continued)*

The notice period to be given to all the registered members for consideration of the proposal raised by the requisitionists concerned at EGM varies according to the nature of the proposal, as follows:

— At least 14 clear days' notice in writing if the proposal constitutes an ordinary resolution of the Company;

— At least 21 clear days' notice in writing if calling for an AGM or the proposal constitutes a special resolution of the Company at EGM.

If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in the same manner, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Board shall be reimbursed to the requisitionists by the Company.

(2) Procedures for putting forward proposals at shareholders' meeting

Shareholders are welcomed to make enquires and suggestions to the Board in the general meeting. Shareholders who wish to put forward a proposal, including nomination of directors, should convene an EGM by submitting a written requisition to move a resolution at EGM. The requirements and procedures are set out in "(1) Procedures for shareholders to convene an EGM" above.

(3) Procedures for sending shareholders' enquiries to the Board

Shareholders may send their enquiries and concerns to the Board in writing through the Company Secretary whose contact details are as follows:

Mailing address:	Rooms 4902-03, 49th Floor Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
E-mail:	henrychow@ssygroup.com.hk
Fax:	(852) 2787 3338

Shareholders may also direct their questions about their shareholdings to Computershare Hong Kong Investor Services Limited, the Company's Hong Kong branch share registrar.

DIVIDEND POLICY

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

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

COMMUNICATIONS WITH SHAREHOLDERS

The Company believes that effective communication is essential for enhancing investor relations and investors' understanding of the Group. The Company also recognises the importance of transparency and timely disclosure of its corporate information, which enables shareholders and potential investors to make informed decisions. The Company has established a mechanism of using a number of channels for communications with its shareholders, investors and other stakeholders to ensure independent views and input are available to the Board. These include a designed Investor Relations Department which has access to the Board and is responsible for day-to-day communication with shareholders and potential investors, the AGM and the general meetings, annual and interim reports and quarterly operating results, announcements, circulars and notices to shareholders, press releases, investors meetings and the Company's website www.ssygroup.com.hk.

During the year ended 31 December 2025, (i) the Company conducted its AGM on 16 May 2025 where all Directors, including chairman of the Board, the INEDs being respective chairmen of the Audit Committee, Remuneration Committee and Nomination Committee, and the external auditor attended the meeting in person to address shareholder inquiries during the meeting, (ii) briefings to shareholders and analysts by Investor Relations Department, followed by question and answer session involving executive Directors and senior management, were held on 28 March 2025 and 28 August 2025 after financial results of the Group were announced, (iii) executive Directors responsible for investor relations and Investor Relations Department held meetings with institutional shareholders and analysts from time to time, and (iv) the Company Secretary ensured good channel of communication with individual and institutional shareholders through emails or at the Company's AGM. The Company have taken an active and timely approach in responding to the shareholders views and following up the outcomes of these engagements.

During the year ended 31 December 2025, approximately 130 corporate communication documents (including annual report, interim report, circulars and notices to shareholders, and various announcements) were published on the websites of the Stock Exchange and the Company. For efficient communication with shareholders and in the interest of environmental protection, arrangements are made to allow shareholders to elect to receive certain corporate communication documents by electronic means.

The Board reviews the implementation and effectiveness of communication mechanism with shareholders from time to time with at least once a year. For the year ended 31 December 2025, having considered the multiple channels of communication and engagement in place, the Board considered that such mechanism was properly in place during the year and remained effective.

CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2025, there was no change in the Company's constitutional documents.